

Exhibit 3



COPY

Direct Phone
503-221-1576

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888-877-5823

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March 24, 2010

VIA EMAIL AND
UPS OVERNIGHT DELIVERY

Ms. Lori Houck Cora
Assistant Regional Counsel
U.S. Environmental Protection Agency
Region 10, ORC-158
1200 Sixth Avenue
Seattle, WA 98101

RECEIVED

MAR 25 2010

**U.S. EPA REGION 10
OFFICE OF REGIONAL COUNSEL**

Re: Portland Harbor Superfund Site; Linnton Plywood Association
FRE 408 Confidential Settlement Communication

Dear Lori:

This letter constitutes Linnton Plywood Association's ("Association") response to EPA's letter of February 9, 2010, and particularly the request for answers and documentation set out in your Attachment 2.

- a. Federal Tax Returns True, complete and signed copies of the last two years federal tax returns were filed.

Enclosed under Tab A are true, complete and signed copies of the last two years federal tax returns which were filed, namely, returns for the fiscal years ended March 31, 2008, and March 31, 2009. The tax return for the fiscal year ending March 31, 2010, will not be due until December 15, 2010.

- b. Annual Financial Statements True and complete copies to include but not limited to an Income Statement, Balance Sheet, Cash Flow Statement and Expense Statement for the past two calendar years.

In the first instance, annual Financial Statements should be those completed by an outside CPA. In order of preference, this would be an audit, a review, or a compilation - and includes all attached notes. If an outside CPA does not prepare these statements, then company generated annual financial statements should be provided. In the event that final financial statements are not yet ready for a just completed fiscal year, then provide a draft copy.

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Enclosed under Tab B are true and complete copies of the Balance Sheet and Profit & Loss Statement for the past two fiscal years ended March 31, 2008, and March 31, 2009. These Financial Statements have not been audited or formally reviewed or compiled by an outside CPA. Joan Edgell, Fellner & Kuhn, P.C., the outside CPA for Linnton Plywood Association, did assist the Association in the preparation of these Financial Statements. Also enclosed under Tab (b) is an interim Balance Sheet and Profit & Loss Statement prepared by the Association for the six months ended September 30, 2009. This interim statement has not been reviewed by the CPA. The Financial Statements for the fiscal year ending March 31, 2010, will be available later this year.

- c. Litigation Provide a statement with relevant details as to whether the company currently is, or anticipates being a party to, any litigation which has not been noted in the most recent financial statement and which could impact the company's financial situation.

The Association was named as a defendant in a action brought by the Lower Willamette Group ("LWG") for indemnity arising out of the Portland Harbor Superfund Site. The Association has been dismissed from that action to facilitate settlement discussions between parties, in anticipation of the successful completion of the EPA settlement process. Should this not occur, the Association may be named as an additional defendant in this litigation. The Association has recently received a demand for indemnity from the State of Oregon, Department of Justice, arising out of the Association's submerged and submersible land lease with the State of Oregon, Division of State Lands ("DSL"). The amount of this claim is as yet unknown. The claim is being tendered to LPA's insurance carrier. The Association is generally aware that other claims may be made against the Association, and that some financial payment may be part of any resolution between the Association and the Natural Resources Trustees.

- d. Financial Settlements Provide a statement with relevant details as to whether the company currently is, or anticipates receiving or paying, a financial settlement which has not been noted in the most recent financial statement.

The Association has entered into a Stipulation, which has been approved by the Multnomah County Circuit Court, in the matter of Weiss, et al. v. Linnton Plywood Association, et al., Case No. 0807-10423. The settlement requires that the Association make payment of any proceeds from the dissolution of the Association and the sale of its assets to members and former members in accordance with the schedule set forth in the Stipulation. Failure to adhere to the terms of the Stipulation, which have now become a judgment of the Court, would expose the Association to additional liability. Further, as part of the Stipulation the Association must reimburse Plaintiffs' attorney fees in the sum of \$25,000.00. A copy of the Stipulation is enclosed under Tab C.

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e. Credit

- (1) Does the company have any lines of credit which have not been mentioned in the most recent financial statement? If the answer is 'Yes', indicate with which financial institution(s) or lender(s), the specific terms and conditions of that line of credit and the current financial status.

No.

- (2) Has the company applied for and been denied credit during the review period? If the answer is 'Yes', provide a statement containing details of that credit request and denial (i.e. date applied for, amount, name of financial institution/lender, date denied, etc.). Include a copy of the letter of denial from that financial institution/lender.

No.

f. Insurance

- i. Please provide complete copies of the confirmed liability insurance policies discussed in the October 2, 2009, letter to EPA. If complete copies for every year are not available, provide copies for the years available.

Enclosed under Tab D please find copies of all confirmed and specimen of unconfirmed policies.

- ii. Please provide copies of all evidence LPA has regarding the unconfirmed insurance policies discussed in the October 2, 2009 letter. This request is seeking all information, documents and/or correspondence LPA possesses that would indicate the existence of such policies (check stubs, invoices, etc.) and the coverage and other terms and conditions of the policies (correspondence between insured and the insurance company).

Enclosed under Tab E please find copies of all correspondence related to confirmed and unconfirmed policies.

- iii. If not provided in response to subpart ii. above, please provide copies of all correspondence between LPA and the insurance company(ies) regarding insurance coverage and the terms and conditions of such liability insurance policies, including any Reservation of Rights and agreement to defend LPA. Please include any information or

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communications that substantiates the claim that the liability insurance policies for all 19 years are "wasting policies".

Enclosed under Tab E please find copies of all correspondence regarding these subjects. As previously confirmed, the subject policies are not "wasting policies".

- iv. Did LPA have any excess insurance in addition to the primary policies that may provide coverage for property damage or other costs being incurred in relation to the Portland Harbor Superfund Site? If so, please describe all such excess insurance and provide copies of all such policies.

No, not to LPA's knowledge.

- v. What type and amount of liability insurance did LPA have prior to 1966, and does LPA have any evidence or other information regarding the terms and conditions of such insurance policies? If so, please provide copies.

None to LPA's knowledge.

- vi. Please describe what the \$400,000 of liability insurance coverage was paid for.

In prior correspondence the Association noted the sum of \$400,000 as accumulated remedial investigation and remedial costs, together with costs of defense that had been incurred as of that date. Those figures were included under the mistaken assumption that the insurance policies enclosed under Tab D referenced above were "wasting policies," which results in the insurance coverage being reduced by those expenditures. We have now confirmed that the policies are not "wasting policies." However, we have received confirmation from the insurance carrier that \$62,959.00 in remediation costs has been deducted from the policy limits leaving approximately \$1,837,000.00 in coverage to resolve all claims, including those asserted by EPA, LWG, DSL, Natural Resources Trustees and any other PRP claims.

- vii. Was LPA ever a third-party insured on liability insurance of a lessee or other authorized company or person operating on LPA's property? If so, please describe such insurance policy and provide copies.

Not to LPA's knowledge.

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- g. Settlement Costs Please provide details of the major items constituting the \$600,000 of liabilities and the estimated \$600,000 closing costs that will be paid from the property sale proceeds.
- A. **The \$600,000 in estimated liabilities consists of payables other than to members or former members of the Association, as set forth in the attached financial statements. This figure also includes an estimate, at the time, of the attorneys' fees and expected accumulated operating losses and unpaid property taxes that would have been paid at the time of the closing of the then pending sale of the Association's property. The pending sale has been terminated. Nonetheless, the Association continues to incur losses of approximately \$15,000 per month and accumulates unpaid property taxes and interest totaling approximately \$325,000.00.**
- B. **The \$600,000 in estimated closing costs are those costs that will be incurred upon the sale of the Association's property. The previously pending transaction has now been terminated, but the Association hopes to be able to sell its property to a new buyer. If it does, the Association expects to incur closing costs estimated to be \$600,000.00, and likely will include, but not limited to, real estate broker's fees, escrow fees, title insurance fees, legal fees associated with drafting a new purchase agreement, and any other items that may be required to be paid by seller as a condition of closing a sale by a buyer.**
- h. Share Redemption and Retains Please provide the breakdown between the amount of stock or equity redemption and the Retains and any other information that may help explain and support the \$3.2 Million Retains amount. If the amounts of Equity redemption and Retains is different than that shown on the most recent financial statements or tax returns (items a. and b. above), please explain the differences. Please provide record evidence that supports the company owes \$3.2 Million in Retains to its members.

The Association began its operations as a cooperative in 1951 and continues as a cooperative today. A cooperative is owned and governed by its members, but it is substantially different from a corporation. To be a member in the Association an individual had to own one share of the Association's common stock. The Association's original issuance of 200 shares of common stock at a par value of \$5,000 has been the only time the Association has raised capital through the issuance of stock. In private transactions the price per share fluctuated, but the Association's financial interest was only the original share issuance price. The Association has on a rare occasion redeemed shares, principally when the shareholder died and the redemption was for the benefit of the member's estate. In addition to owning a share a member had to

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meet certain other requirements, primary among those was the obligation to actively work at the Association's plywood operation. Members who met all of the requisite criteria were entitle to vote, shareholders per se did not vote. Ownership did not entitle the owner to any dividends or other distributions.

A member, which by definition meant someone working at the plywood mill, was paid an hourly wage, which in essence was an advance (and said payment fluctuated with the market place) but for the most part was lower than what a worker could earn at a more traditional plywood mill. These wages were effectively advances of a member's share of any profits and were subject to adjustments for losses from mill operations for each fiscal year. Each member's allocation of profits and losses was based upon their "Patronage" (number of hours worked) in the mill. Patronage was determined by taking the hours worked by a member compared to the total hours worked by all members. In good years a member might make more than his peer at a standard operation, but in bad years he might not make as much after incurring responsibility for his share of the Association's losses.

Because there were only so many opportunities to work at the mill, issuing additional shares to increase membership was not an option for the Association nor was it a viable way to raise needed operating capital. Instead the Association capitalized its operations by allocating, but not distributing all of its profits to members. The Association "retained" some of the members' profits, even though the members paid income tax on the "Retains" as if they had been received. These "Retains" were noted on the Association's books and records and would fluctuate on a yearly basis. By way of example, a member's "Retains" in one year may be reduced by that member's share of losses in the next year. The Association's Bylaws require that these "Retains" be paid back to the members when there are funds available. However, there are still "Retains" on the books going back to 1984, with accumulated "Retains" thereafter each year until 2001 after which the Association ceased its mill operations. These unpaid "Retains", which do not bear any interest, total more than \$3.1 Million. The Weiss lawsuit, which is referred to above, was brought by former members who contested the method by which "Retains", share equity and losses would be determined if and when the Association is able to sell its real property and have proceeds to distribute to members. The dispute was resolved by stipulation, which has now become a judgment of the Court, requiring the Association to make distributions to shareholders and members in accordance with the methodology described in the Stipulation. The majority of the Association's members are retired, elderly workers who have waited years to get back what they earned as wages and paid taxes on, but

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will never enjoy until the Association is able to sell its property and make distributions in accordance with the Stipulation.

Enclosed under Tab F is an Excel spreadsheet prepared from the member and shareholder records of the Association. The spreadsheet shows in column C the amount of retains allocated to each of the 199 members and former members. Column D shows the stock currently held by the 126 members and former members. The total retains and stock is shown in Column E, namely, \$3,114,045.49. The names of each individual member and former member have not been shown in the spreadsheet. These amounts differ from the amounts shown in the financial statements and tax returns. The stock is shown in the financial statements and tax returns at a net figure of \$407,908 (common stock less treasury stock). The spreadsheet shows that 126 persons own stock (one share each) and each share is due to receive on liquidation \$5,000 pursuant to the Court approved Stipulation (a total of \$630,000). The financial statements and tax returns show retains in an amount that is slightly different than the amount shown in the Association member records. The financial statement and tax return amount is \$2,515,271 and the spreadsheet amount is \$2,484,045.49, or a difference of \$31,226. This difference arises from various accounting adjustments over the years that are not reflected in the member allocation data. Another difference that does not appear in the financial statements, Association tax returns and the spreadsheet is the actual cost of each share of stock held by the current stockholders. Almost all of the outstanding shares were purchased by these stockholders from deceased or retiring members when they became members since the ownership of one share was required to work at the cooperative. These purchases were made at a time when the Association was profitable and working there was attractive enough to create a premium for the share to be purchased from the retiring member. The average cost of the 126 shares currently outstanding is \$44,970. However, each of these shares is scheduled to be retired on liquidation at only the original par value of \$5,000 per share.

- i. Additional Information The EPA encourages the company to provide any additional information which may be relevant to the company's financial status and ability to pay response costs related to the Portland Harbor Superfund Site. Also, the EPA may request additional information to clarify issues raised by the above requested documents.

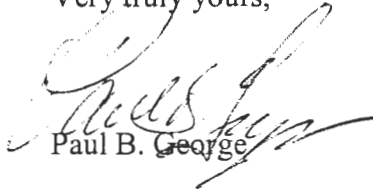
The Association adopted a plan of liquidation in 2001. Nine years and a number of failed sales later, the Association has been stymied by Superfund Site constraints which have precluded its ability to complete its liquidation by selling its real property, which is its last remaining asset. It is collecting some rental income, but this falls short by

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approximately \$15,000 each month of covering expenses, not to mention deferred ad valorem real property taxes and interest. Early settlement to resolve CERCLA and related liabilities is essential. Currently insurance policy proceeds are the only resource from which any and all settlements can be funded.

While it still exists, the Association has the opportunity to reasonably contribute to Portland Harbor investigation and projected remediation costs taking into account its admitted role as a minor possible contributor to in-river contaminant impacts, to achieve a restoration project early and of a scale that is superior when compared to other sites within the Harbor, and to do justice to its aged members whose life's savings are locked up and about to be lost. These circumstances underscore the social, economic, and environmental value which can be derived from early resolution.

Very truly yours,



Paul B. George

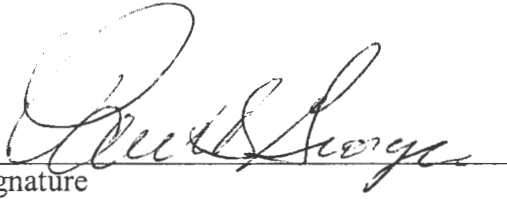
WPH/dod
Enclosures

cc: Kristine Koch ✓

DECLARATION

I declare under penalty of perjury that I am authorized to respond on behalf of Respondent and that the foregoing is complete, true, and correct.

Executed on March 24, 2010



Signature

Paul B. George
Type or Print Name

Attorney for Linnton Plywood Association
Title

Mailing Address:

Roberts Kaplan LLP
601 SW Second Avenue, Suite 1800
Portland, OR 97204

1120-C Form Department of the Treasury Internal Revenue Service		U.S. Income Tax Return for Cooperative Associations For calendar year 2008 or tax year beginning 4/01/08 , ending 3/31/09 ▶ See separate instructions.				OMB No. 1545-2052 2008	
A Check if: 1 Consolidated return (attach Form 851) <input type="checkbox"/> 2 Schedule M-3 (Form 1120) attached <input type="checkbox"/> 3 Form 1120 filed in previous tax year <input type="checkbox"/>		Name Linnton Plywood Association Number, street, and room or suite no. (if a P.O. box, see instr.) 10504 N.W. St. Helens Road City or town, state, and ZIP code Portland OR 97231				B Employer identification number 93-0396404 C Check if: (1) Farmers' tax exempt cooperative <input type="checkbox"/> (2) Nonexempt cooperative <input checked="" type="checkbox"/>	
D Check if: (1) <input type="checkbox"/> Initial return (2) <input type="checkbox"/> Final return (3) <input type="checkbox"/> Name change (4) <input type="checkbox"/> Address change (5) <input type="checkbox"/> Amended return							
Income	1a Gross receipts or sales		b Less returns and allowances		c Bal ▶		
	2 Cost of goods sold (Schedule A, line 9)				2		
	3 Gross profit. Subtract line 2 from line 1c				3		
	4 Dividends (Schedule C, line 19)				4		
	5 Interest				5 5,614		
	6 Gross rents and royalties				6 372,789		
	7 Capital gain net income (attach Schedule D (Form 1120))				7		
	8 Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)				8		
	9 Other income (see instructions—attach schedule)				9		
	10 Total income. Add lines 3 through 9				10 378,403		
Deductions (See instructions for limitations on deductions.)	11 Compensation of officers (Schedule E, line 4)				11		
	12 Salaries and wages (less employment credits)				12 94,693		
	13 Bad debts				13		
	14 Rents				14		
	15 Taxes and licenses				15 96,063		
	16 Interest				16		
	17 Charitable contributions				17		
	18 Depreciation not claimed in Schedule A or elsewhere on return (attach Form 4562)				18 6,705		
	19 Advertising				19		
	20 Pension, profit-sharing, etc., plans				20		
	21 Employee benefit programs				21 4,153		
	22 Domestic production activities deduction (attach Form 8903)				22		
	23 Other deductions (attach schedule)		See Stmt 1		23 158,585		
	24 Total deductions. Add lines 11 through 23				24 360,199		
	25 Taxable income before section 1382, NOL, and special deductions. Subtract line 24 from line 10				25 18,204		
Tax, Refundable Credits, and Payments	26 Less: a Deductions and adjustments under section 1382 (Schedule H, line 5)		26a				
	b Net operating loss deduction (see instructions)		26b		18,204		
	c Special deductions (Schedule C, line 20)		26c				
	27 Taxable income. Subtract line 26d from line 25 (see instructions)				27 0		
	28 Total tax (Schedule J, line 9)				28 0		
	29a 2007 overpayment credited to 2008		29a				
	b 2008 estimated tax payments		29b				
	c 2008 refund applied for on Form 4466		29c				
	d Bal ▶		29d				
	e Tax deposited with Form 7004		29e				
f Credits: (1) Form 2439 (2) Form 4136		29f					
g Refundable credits from Form 3800, line 19c, and Form 8827, line 8c		29g					
h Section 1383 adjustment (see instructions)		29h		29i			
30 Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/>				30			
31 Amount owed. If line 29i is smaller than the total of lines 28 and 30, enter amount owed				31			
32 Overpayment. If line 29i is larger than the total of lines 28 and 30, enter amount overpaid				32			
33 Enter amount of line 32 you want: Credited to 2009 estimated tax ▶ Refunded ▶				33			
Sign Here Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge. Signature of officer <i>[Signature]</i> Date 12-14-09 Title		May the IRS discuss this return with the preparer shown below (see instr.)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No					
Paid Preparer's Use Only Preparer's signature <i>[Signature]</i> Date 12/08/09 Check if self-employed <input type="checkbox"/> Firm's name (or yours if self-employed), address, and ZIP code FELLNER & KUHN, P.C. 900 SW 5TH AVE #1815 PORTLAND, OR 97204-1227		Preparer's SSN or PTIN P00158922 EIN 93-0641854 Phone no 503-227-0443					

Form 1120-C (2008) Linnton Plywood Association

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Schedule A Cost of Goods Sold (see instructions)

1	Inventory at beginning of year	1
2	Purchases	2
3	Cost of labor	3
4	Per-unit retain allocations paid in:	
a	Qualified per-unit retain certificates	4a
b	Money or other property (except nonqualified per-unit certificates)	4b
5	Nonqualified per-unit retain certificates redeemed this year	5
6a	Additional section 263A costs (attach schedule)	6a
b	Other costs (attach schedule)	6b
7	Total. Add lines 1 through 6b	7
8	Inventory at end of year	8
9	Cost of goods sold. Subtract line 8 from line 7. Enter here and on line 2, page 1	9
10a	Check all methods used for valuing closing inventory:	
(i)	<input type="checkbox"/> Cost as described in Regulations section 1.471-3	
(ii)	<input checked="" type="checkbox"/> Lower of cost or market as described in Regulations section 1.471-4	
(iii)	<input type="checkbox"/> Other (Specify method used and attach explanation) ▶	
b	Check if there was a writedown of subnormal goods as described in Regulations section 1.471-2(c)	<input type="checkbox"/>
c	Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970)	<input type="checkbox"/>
d	If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO	10d <input type="text"/>
e	If property is produced or acquired for resale, do the rules of section 263A apply to the cooperative?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
f	Was there any change in determining quantities, cost, or valuations between opening and closing inventory?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

If "Yes," attach explanation.

Schedule C Dividends and Special Deductions (see instructions)

	(a) Dividends received	(b) %	(c) Deduction ((a) x (b))
1	Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock)	70	
2	Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock)	80	
3	Dividends on debt-financed stock of domestic and foreign corporations	See instructions	
4	Dividends on certain preferred stock of less-than-20%-owned public utilities	42	
5	Dividends on certain preferred stock of 20%-or-more-owned public utilities	48	
6	Dividends from less-than-20%-owned foreign corporations and certain FSCs	70	
7	Dividends from 20%-or-more-owned foreign corporations and certain FSCs	80	
8	Dividends from wholly owned foreign subsidiaries	100	
9	Total. Add lines 1 through 8. See instructions for limitation		
10	Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958	100	
11	Dividends from affiliated group members	100	
12	Dividends from certain FSCs	See instructions	
13	Dividends from foreign corporations not included on lines 3, 6, 7, 8, 11, or 12		
14	Income from controlled foreign corporations under subpart F (attach Form(s) 5471)		
15	Foreign dividend gross-up		
16	IC-DISC and former DISC dividends not included on lines 1, 2, or 3		
17	Other dividends		
18	Deduction for dividends paid on certain preferred stock of public utilities		
19	Total dividends. Add lines 1 through 17. Enter here and on line 4, page 1		
20	Total special deductions. Add lines 9, 10, 11, 12, and 18. Enter here and on line 26c, page 1		

Form 1120-C (2008) **Linnton Plywood Association**

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Schedule E Compensation of Officers (See instructions for line 11, page 1.)

Complete Schedule E only if total receipts (line 1a, plus lines 4 through 9, of page 1) are \$500,000 or more

(a) Name of officer	(b) Social security number	(c) Percent of time devoted to business	Percent of association's stock owned		(f) Amount of compensation
			(d) Common	(e) Preferred	
1		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
2	Total compensation of officers				2
3	Compensation of officers claimed on Schedule A and elsewhere on return				3
4	Subtract line 3 from line 2. Enter the result here and on line 11, page 1				4

Schedule G Allocation of Patronage and Nonpatronage Income and Deductions. Before completing, see Question 14 of Schedule K.

	(a) Patronage	(b) Nonpatronage
1 Gross receipts or sales	1	
2 Cost of goods sold	2	
3 Gross profit. Subtract line 2 from line 1	3	
4 Other income	4	378,403
5 Total income. Combine lines 3 and 4	5	378,403
6a Domestic production activities deduction (attach Form 8903)	6a	
b Other deductions	6b	360,199
c Total deductions (add lines 6a and 6b)	6c	360,199
7 Taxable income before section 1382, NOL, and special deductions. Subtract line 6c from line 5	7	18,204
8 Deductions and adjustments under section 1382 from Schedule H, line 5 (see instructions)	8	
9a Net operating loss deduction (attach schedule) See Worksheet	9a	18,204
b Special deductions (see instructions)	9b	
10 Taxable income. Subtract the total of lines 8, 9a, and 9b from line 7	10	0
11 Combined taxable income. Combine columns (a) and (b) of line 10 (see instructions)	11	
12 Unused patronage loss (see instructions)	12	
13 Unused nonpatronage loss (see instructions)	13	2,109,406

Schedule H Deductions and Adjustments Under Section 1382 (see instructions)

1 Dividends paid on capital stock (section 521 cooperatives only)	1
2 Nonpatronage income allocated to patrons (section 521 cooperatives only)	2
3 Patronage dividends:	
a Money	3a
b Qualified written notices of allocation	3b
c Other property (except nonqualified written notices of allocation)	3c
d Money or other property (except written notices of allocation) in redemption of nonqualified written notices of allocation	3d
4 Domestic production activities deduction allocated to patrons	4
5 Total. Combine lines 1 through 4. Enter here and on line 26a, page 1, and Schedule G, line 8	5

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Schedule J Tax Computation (see instructions)

1	Check if the cooperative is a member of a controlled group (attach Schedule O (Form 1120))	<input type="checkbox"/>	2	Income tax (see instructions)	0
3	Alternative minimum tax (attach Form 4626)		3		
4	Add lines 2 and 3		4		0
5a	Foreign tax credit (attach Form 1118)		5a		
b	Credit from Form 8834		5b		
c	General business credit (attach Form 3800)		5c		
d	Credit for prior year minimum tax (attach Form 8827)		5d		
6	Total credits. Add lines 5a through 5d		6		
7	Subtract line 6 from line 4		7		
8	Other taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Other (attach schedule)		8		
	<input type="checkbox"/> Form 8902				
9	Total tax. Add lines 7 and 8. Enter here and on line 28, page 1		9		0

Schedule K Other Information (see instructions)

	Yes	No		Yes	No
1	Check accounting method:			If "Yes," enter: (a) Percentage owned and (b) Owner's country	
a	<input type="checkbox"/>	Cash			
b	<input checked="" type="checkbox"/>	Accrual	c	The cooperative may have to file Form 5472, Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter number of Forms 5472 attached	
c	<input type="checkbox"/>	Other (specify) _____	9	Check this box if the cooperative issued publicly offered debt instruments with original issue discount. If checked, the cooperative may have to file Form 8281, Information Return for Publicly Offered Original Issue Discount Instruments. <input type="checkbox"/>	
2	See the instructions and enter the:		10	Enter the amount of tax-exempt income received or accrued during the tax year (for example, interest or extraterritorial income) \$ 0	
a	Business activity code no. 321210		11a	Enter the number of foreign patrons at the end of the tax year	
b	Business activity MANUFACTURING		b	Enter the total amount of patronage distributions described in (or deducted under) IRC 1382(b) paid or allocated to foreign patrons 0	
c	Product or service PLYWOOD		12	If the cooperative has an NOL for the tax year and is electing to forego the carryback period, check here. If the cooperative is filing a consolidated return, the statement required by Regulations section 1.1502-21(b)(3) must be attached or the election will not be valid. <input type="checkbox"/>	
d	Date of incorporation 2/02/1951		13	Enter the available NOL carryover from prior tax years (Do not reduce it by any deduction on line 26b) Patronage \$ Nonpatronage \$ 2,127,610	
3	Check the accounting method used to compute distributable patronage:		14	Are the cooperative's total receipts (line 1a plus lines 4 through 9 on page 1) for the tax year and its total assets at the end of the tax year less than \$250,000? If "Yes," the cooperative is not required to complete Schedules G, L, M-1, or M-2. Instead, enter the total amount of cash distributions and the book value of property distributions (other than cash) made during the tax year \$	
a	<input type="checkbox"/>	Book			
b	<input checked="" type="checkbox"/>	Tax	15	Enter the amount of outstanding nonqualified notices of allocation (attach schedule)	
c	<input type="checkbox"/>	Other (specify) _____			
4	At the end of the tax year, did the cooperative own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).) <input checked="" type="checkbox"/>				
	If "Yes," attach a schedule showing: (a) name and employer identification number (EIN), (b) percentage owned, and (c) taxable income or (loss) before NOL and special deductions of such corporation for the tax year ending with or within your tax year.				
5	Is the cooperative a subsidiary in an affiliated group or a parent-subsidiary controlled group? <input checked="" type="checkbox"/>				
	If "Yes," enter name and EIN of the parent corporation				
6	At the end of the tax year, did any individual, partnership, corporation, estate, or trust own, directly or indirectly, 50% or more of the cooperative's voting stock? (For rules of attribution, see section 267(c).) <input checked="" type="checkbox"/>				
	If "Yes," attach a schedule showing name and identifying number (Do not include any information already entered in 5 above.) Enter percentage owned				
7	Enter the cooperative's total assets (see instructions) \$ 1,528,963				
8	At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of (a) the total voting power of all classes of stock of the cooperative entitled to vote or (b) the total value of all classes of stock of the cooperative? <input checked="" type="checkbox"/>				

Form 1120-C (2008)

Linnton Plywood Association

93-0396404

Page 5

Schedule L Balance Sheets per Books		Beginning of tax year		End of tax year	
Assets		(a)	(b)	(c)	(d)
1	Cash		192,613		143,916
2a	Trade notes and accounts receivable			145,836	
b	Less allowance for bad debts				145,836
3	Inventories				
4	Other current assets (att. sch.) Stmt 2		273,522		167,771
5	Investments (see instructions)				
6	Loans to shareholders				
7	Mortgage and real estate loans				
8a	Buildings and other depreciable assets	793,925		793,925	
b	Less accumulated depreciation	750,467	43,458	757,172	36,753
9a	Depletable assets				
b	Less accumulated depletion				
10	Land (net of amortization)		276,110		276,110
11a	Intangible assets (amortizable only)				
b	Less accumulated amortization				
12	Other assets (attach sch.) Stmt 3		549,716		758,577
13	Total assets		1,335,419		1,528,963
Liabilities and Capital					
14	Accounts payable		153,887		239,931
15	Mortgages, notes, bonds payable in less than 1 year				8,505
16	Other current liabilities (att. sch.) Stmt 4		96,731		171,775
17	Loans from shareholders				
18	Mortgages, notes, bonds payable in 1 year or more				
19	Other liabilities (attach schedule) Stmt 5		734,784		758,735
20	Capital stock: a Preferred stock				
	b Common stock	1,000,000	1,000,000	1,000,000	1,000,000
21	Additional paid-in capital				
22	Patronage dividends allocated in noncash form				
23	Per-unit retains allocated in noncash form				
24	Retained earnings—Appropriated (att. sch.)				
25	Retained earnings—Unappropriated		-57,891		-57,891
26	Adjustments to SH equity (att. sch.)				
27	Less cost of treasury stock		592,092		592,092
28	Total liabilities and capital		1,335,419		1,528,963

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return

Note: Schedule M-3 required instead of Schedule M-1 if total assets are \$10 million or more—see instructions

1	Net income (loss) per books		7	Income recorded on books this year not included in this tax return (itemize):	
2	Federal income tax per books			Tax-exempt interest \$	
3	Excess of capital losses over capital gains				
4	Income subject to tax not recorded on books this year (itemize):		Stmt 7	-23,951	-23,951
5	Expenses recorded on books this year not deducted in this return (itemize):		8	Deductions in this tax return not charged against book income this year (itemize):	
a	Depreciation \$		a	Depreciation \$	
b	Charitable contributions \$		b	Charitable contributions \$	
c	Travel and entertainment \$		Stmt 8	21,807	21,807
6	Add lines 1 through 5	16,060	9	Add lines 7 and 8	-2,144
		16,060	10	Income (line 25, page 1)—line 6 less line 9	18,204

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)

1	Balance at beginning of year	-57,891	5	Distributions: a Cash	
2	Net income (loss) per books	0		b Stock	
3	Other increases (itemize):			c Property	
			6	Other decreases (itemize):	
			7	Add lines 5 and 6	
4	Add lines 1, 2, and 3	-57,891	8	Balance at end of year (line 4 less line 7)	-57,891

Form **4562**
 Department of the Treasury
 Internal Revenue Service (99)

Depreciation and Amortization
 (Including Information on Listed Property)

OMB No 1545-0172

2008Attachment
Sequence No **67**

▶ See separate instructions. ▶ Attach to your tax return.

Name(s) shown on return

Linnton Plywood Association

Identifying number

93-0396404

Business or activity to which this form relates

Regular Depreciation**Part I Election To Expense Certain Property Under Section 179**

Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount. See the instructions for a higher limit for certain businesses	1	250,000
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	800,000
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	

(a) Description of property	(b) Cost (business use only)	(c) Elected cost
6		

7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2007 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2009. Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	5,162

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2008	17	1,543
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/>		

Section B—Assets Placed in Service During 2008 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property			27.5 yrs.	MM	S/L	
			27.5 yrs.	MM	S/L	
i Nonresidential real property			39 yrs.	MM	S/L	
				MM	S/L	

Section C—Assets Placed in Service During 2008 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year			40 yrs.	MM	S/L	

Part IV Summary (See instructions.)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations—see instr.	22	6,705
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

For Paperwork Reduction Act Notice, see separate instructions.

Form **4562** (2008)

DAA

There are no amounts for Page 2

NOL and Contribution Carryover Worksheet - Regular Tax		2008
Form 1120	For calendar year 2008 or tax year beginning 4/01/08 , ending 3/31/09	
Name Linnton Plywood Association		Employer Identification Number 93-0396404

Preceding Taxable Year	Adj. To NOL Inc/(Loss) After Adj.	Prior Year		Current Year	Next Year
		NOL Utilized (Income Offset)	Carryovers	Income Offset By NOL Carryback/ Carryover NOL Utilized	Carryover
15th 3/31/94					
14th 3/31/95					
13th 3/31/96					
12th 3/31/97					
11th 3/31/98					
10th 3/31/99					
9th 3/31/00					
8th 3/31/01	-46,813		46,813	18,204	28,609
7th 3/31/02	-556,891		556,891		556,891
6th 3/31/03	-356,521		356,521		356,521
5th 3/31/04	-257,755		257,755		257,755
4th 3/31/05	-180,520		180,520		180,520
3rd 3/31/06	-176,665		176,665		176,665
2nd 3/31/07	-234,848		234,848		234,848
1st 3/31/08	-317,597		317,597		317,597
NOL Carryover Available To Current Year			2,127,610		
Current Year	0 18,204			18,204	0
NOL Carryover Available To Next Year					2,109,406

Charitable Contributions		Prior Year		Current Year		Next Year
Preceding Tax Year	Excess Contributions	Utilized Or Reclassified to NOL	Carryover	Reclassified to NOL (Reg. Sec. 1.170A-11(c)(2))	Carryovers Utilized	Carryover
5th 3/31/04						
4th 3/31/05						
3rd 3/31/06						
2nd 3/31/07						
1st 3/31/08						
Charitable Contribution Carryover To Current Year			0			
Current Year	0					0
Charitable Contribution Carryover Available To Next Year						0

NOL and Contribution Carryover Worksheet - AMT

Form **1120****2008**For calendar year 2008 or tax year beginning **4/01/08**, ending **3/31/09**

Name

Employer Identification Number

Linnton Plywood Association**93-0396404**

Preceding Taxable Year	Adj. To NOL Inc/(Loss) After Adj.	Prior Year		Current Year	Next Year
		NOL Utilized (Income Offset)	Carryovers	Income Offset By NOL Carryback/ Carryover NOL Utilized	Carryover
15th 3/31/94					
14th 3/31/95					
13th 3/31/96					
12th 3/31/97					
11th 3/31/98					
10th 3/31/99					
9th 3/31/00					
8th 3/31/01	-231,799	184,986	46,813	16,385	30,428
7th 3/31/02	-559,731		559,731		559,731
6th 3/31/03	-359,928		359,928		359,928
5th 3/31/04	-257,756		257,756		257,756
4th 3/31/05	-180,519		180,519		180,519
3rd 3/31/06	-176,666		176,666		176,666
2nd 3/31/07	-234,847		234,847		234,847
1st 3/31/08	-317,598		317,598		317,598
NOL Carryover Available To Current Year			2,133,858		
Current Year	0 16,385			16,385	0
NOL Carryover Available To Next Year					2,117,473

Charitable Contributions		Prior Year		Current Year		Next Year
Preceding Tax Year	Excess Contributions	Utilized Or Reclassified to NOL	Carryover	Reclassified to NOL (Reg Sec. 1.170A-11(c)(2))	Carryovers Utilized	Carryover
15th 3/31/04						
14th 3/31/05						
13th 3/31/06						
12th 3/31/07						
11th 3/31/08						
Charitable Contribution Carryover To Current Year			0			
Current Year	0					0
Charitable Contribution Carryover Available To Next Year						0

93-0396404

Federal Statements

FYE: 3/31/2009

General Footnote

Cooperative Association - Taxpayer is an organization described in Section 1381(A)(2), operating on a cooperative basis.

Fellner & Kuhn, P.C.

93-0396404

Federal Statements

FYE: 3/31/2009

Statement 1 - Form 1120-C, Page 1, Line 23 - Other Deductions

Description	Amount
Fuel, power, water	\$ 40,518
Insurance expense	36,460
Security patrol	49,269
Payroll expense	5,448
Miscellaneous selling exp	1,142
Office expense	2,318
Printing and postage	92
Telephone & Fax	2,059
Professional fees	1,239
Dues & subscriptions	90
Miscellaneous & bank charges	335
Fees, licenses & permits	3,453
Industrial acc. insurance	9,716
Repairs and Maintenance	6,446
Total	\$ <u>158,585</u>

Federal Statements**Statement 2 - Form 1120-C, Page 5, Schedule L, Line 4 - Other Current Assets**

Description	Beginning of Year	End of Year
UNEXPIRED INSURANCE	\$ 13,671	\$ 13,233
DEFERRED INCOME TAXES	135,000	135,000
Prepaid Environmental Costs	19,538	19,538
Rent receivable	105,313	
Total	\$ 273,522	\$ 167,771

Statement 3 - Form 1120-C, Page 5, Schedule L, Line 12 - Other Assets

Description	Beginning of Year	End of Year
Selling Costs - 3/31/06	\$ 133,637	\$ 133,637
Selling Costs - 3/31/07	148,467	148,467
Selling Costs - 3/31/08	267,612	267,612
Selling Costs - 3/31/09		208,861
Total	\$ 549,716	\$ 758,577

Statement 4 - Form 1120-C, Page 5, Schedule L, Line 16 - Other Current Liabilities

Description	Beginning of Year	End of Year
Accrued Industrial Accident	\$ 21,807	\$ 16,060
Accrued Property Tax	66,420	155,715
Premium Financing	8,504	
Total	\$ 96,731	\$ 171,775

Statement 5 - Form 1120-C, Page 5, Schedule L, Line 19 - Other Liabilities

Description	Beginning of Year	End of Year
UNRESTRICTED PATRONAGE	\$ 2,184,611	\$ 2,184,611
UNRESTRICTED NON-PATRONAGE	116,787	116,787
RESTRICTED PATRONAGE	62,540	62,540
RESTRICTED NON-PATRONAGE	151,333	151,333
OVERADVANCE 3-96	-1,337	-1,337
OVERADVANCE 3-94	-2,342	-2,342
OVERADVANCE 3-02	-794,465	-794,465
OVERADVANCE 3-01	-25,135	-25,135
NON-PATRONAGE 3-03	-358,444	-358,444
NON-PATRONAGE 3-04	-258,998	-258,998
NON-PATRONAGE 3-05	-189,771	-189,771
NON-PATRONAGE 3-06	-28,667	-28,667
NON-PATRONAGE 3-07	-76,342	-76,342
NON-PATRONAGE 3-08	-44,986	-44,986
NON-PATRONAGE 3-09		23,951
Total	\$ 734,784	\$ 758,735

Federal Statements

FYE: 3/31/2009

Statement 6 - Form 1120-C, Page 5, Schedule M-1, Line 5 - Expense on Books Not Deducted

Description	Amount
Accr Ind Accident 2009	\$ 16,060
Total	\$ 16,060

Statement 7 - Form 1120-C, Page 5, Schedule M-1, Line 7 - Income on Books Not on Return

Description	Amount
Non-patronage allocated to members	\$ -23,951
Total	\$ -23,951

Statement 8 - Form 1120-C, Page 5, Sch M-1, Line 8 - Deductions on Return Not on Books

Description	Amount
Accr Ind Accident 2008	\$ 21,807
Total	\$ 21,807

0480 Linnton Plywood Association

93-0396404

FYE: 3/31/2009

Federal Asset Report

Form 1120, Page 1

Asset	Description	Date In Service	Cost	Bus %	Sec 179	Bonus	Basis for Depr	Per Conv	Meth	Prior	Current
Prior MACRS:											
49	RAILROAD SPUR	9/30/89	10,825				10,825	20	MQ S/L	10,081	541
196	COMPUTER PENT 100MHZ	1/21/97	1,942				1,942	5	HY S/L	1,942	0
218	BUILDING NOISE SYSTEM	4/01/87	3,916				3,916	10	HY S/L	3,916	0
219	SPRINKLER SYSTEM	2/29/88	3,737				3,737	10	HY S/L	3,737	0
220	HYDRAULIC ROOM	12/31/88	5,743				5,743	31	MMS/L	2,781	144
221	MDO ROOF FAN	8/01/88	3,719				3,719	31	MMS/L	1,841	93
222	NEW PARKING LOT	9/30/89	9,630				9,630	20	MQ S/L	8,968	482
223	PARKING LOT	9/30/90	1,999				1,999	20	HY S/L	1,749	100
225	SANDERDUST BLDG EXT	8/31/95	3,211				3,211	20	HY S/L	2,007	160
248	CARPET	1/31/00	3,580				3,580	5	HY S/L	3,580	0
254	Carpet	8/31/00	1,055				1,055	5	HY S/L	1,055	0
255	Telephone System	4/27/00	2,800				2,800	7	HY S/L	2,800	0
256	Telephone System	5/17/00	11,659				11,659	7	HY S/L	11,659	0
257	Telephone System	6/30/00	6,532				6,532	7	HY S/L	6,532	0
258	Fax machine	1/31/01	299				299	7	HY S/L	299	0
259	COPIER	6/15/03	500			X	250	7	HY 200DB	444	23
			<u>71,147</u>				<u>70,897</u>			<u>63,391</u>	<u>1,543</u>
ACRS:											
41	NEW ROOF	9/30/86	8,250				8,250	19	MMS/L	8,250	0
210	RESTROOM	10/01/84	3,787				3,787	18	MMS/L	3,787	0
212	PILINGS	10/01/84	250,376				250,376	18	MMS/L	250,376	0
213	DOCK	4/01/85	4,233				4,233	18	MMS/L	4,233	0
214	DRYER FLOOR	4/15/85	11,241				11,241	18	MMS/L	11,239	0
215	FIRE PUMP	12/15/85	58,165				58,165	5	HY S/L	58,165	0
216	FAN SILENCERS	12/06/85	1,840				1,840	5	HY S/L	1,840	0
217	NEW BLDG ADD'N	9/30/86	5,873				5,873	19	MMS/L	5,872	0
	Total ACRS Depreciation		<u>343,765</u>				<u>343,765</u>			<u>343,762</u>	<u>0</u>
Other Depreciation:											
146	CLARK #15	7/01/71	11,835				11,835	10	MO 200DB	11,835	0
160	FILE CABINET	7/01/63	64				64	10	MO 200DB	64	0
161	STEEL FILE CAB	8/01/65	65				65	10	MO 200DB	65	0
162	STEEL FILE CAB	12/01/65	165				165	10	MO 200DB	165	0
163	STEEL FILE CAB	11/01/65	66				66	10	MO 200DB	66	0
164	FILE CABINET	5/01/66	99				99	10	MO 200DB	99	0
165	DESK & CHAIRS	11/01/66	413				413	10	MO 200DB	413	0
167	ARM CHAIR	11/01/67	60				60	10	MO 200DB	60	0
168	METAL DESK	12/31/68	254				254	10	MO 200DB	254	0
172	FIRE PROOF FILE	5/01/77	1,227				1,227	10	MO 200DB	1,227	0
198	OFC REMODELING	7/01/73	8,048				8,048	10	MO 150DB	8,048	0
199	PAVING & PATCHING	3/31/73	963				963	7	MO 150DB	963	0
200	SEWER	1/01/75	78,740				78,740	13	MO 150DB	78,740	0
201	NEW DRYER BLDG	3/01/75	230,000				230,000	40	MO 150DB	194,298	5,162
202	CUTTER & SPOUTS	3/01/75	3,818				3,818	10	MO 150DB	3,818	0
203	RETAIL SHED	10/01/75	3,273				3,273	10	MO 150DB	3,273	0
204	SPRINKLER SYS	12/01/76	4,639				4,639	10	MO 150DB	4,639	0
205	CIRCUIT BREAKER	9/01/76	5,540				5,540	20	MO 150DB	5,540	0
207	ROOF SUPPORT	9/01/79	12,600				12,600	7	MO S/L	12,600	0
208	RETAINAGE WALL	12/01/80	4,300				4,300	10	MO S/L	4,300	0
209	RAILROAD SPUR	8/01/78	5,841				5,841	20	MO 200DB	5,841	0
227	SHARP UX175 FAX	11/30/97	190				190	7	MO S/L	190	0
235	IBM APTIVA CMPTR	9/30/98	2,401				2,401	5	MO S/L	2,401	0
237	HP LASER PRINTER	12/31/98	1,268				1,268	5	MO S/L	1,268	0
238	COMPUTER 17INCH MONITOR	3/16/99	230				230	5	MO S/L	230	0
239	HP OFFICEJET 710 CLR	3/16/99	500				500	5	MO S/L	500	0
240	INTEL PII450 512K COMPUTER	3/17/99	2,414				2,414	5	MO S/L	2,414	0
	Total Other Depreciation		<u>379,013</u>				<u>379,013</u>			<u>343,311</u>	<u>5,162</u>
	Total ACRS and Other Depreciation		<u>722,778</u>				<u>722,778</u>			<u>687,073</u>	<u>5,162</u>

Federal Asset Report

Form 1120, Page 1

Asset	Description	Date In Service	Cost	Bus %	Sec 179 Bonus	Basis for Depr	Per Conv Meth	Prior	Current
	Grand Totals		793,925			793,675		750,464	6,705
	Less: Dispositions		0			0		0	0
	Less: Start-up/Org Expense		0			0		0	0
	Net Grand Totals		<u>793,925</u>			<u>793,675</u>		<u>750,464</u>	<u>6,705</u>

93-0396404

Bonus Depreciation Report

FYE: 3/31/2009

Asset	Property Description	Date In Service	Tax Cost	Bus Pct	Tax Sec 179 Exp	Current Bonus	Prior Bonus	Tax - Basis for Depr
Activity: Form 1120, Page 1								
259	COPIER	6/15/03	500		0	0	250	250
	Form 1120, Page 1		500		0	0	250	250
	Grand Total		500		0	0	250	250

John P. K. P.C.

CONFIDENTIAL

0480 Linnton Plywood Association

12/08/2009 6:36 PM

93-0396404

AMT Asset Report

FYE: 3/31/2009

Form 1120, Page 1

Asset	Description	Date In Service	Cost	Bus %	Sec 179	Bonus	Basis for Depr	Per	Conv	Meth	Prior	Current
Prior MACRS:												
49	RAILROAD SPUR	9/30/89	10,825				10,825	20	MQ	S/L	10,081	541
196	COMPUTER PENT 100MHZ	1/21/97	1,942				1,942	5	HY	S/L	1,942	0
218	BUILDING NOISE SYSTEM	4/01/87	3,916				3,916	10	HY	S/L	3,916	0
219	SPRINKLER SYSTEM	2/29/88	3,737				3,737	10	HY	S/L	3,737	0
220	HYDRAULIC ROOM	12/31/88	5,743				5,743	31	MMS	S/L	2,770	143
221	MDO ROOF FAN	8/01/88	3,719				3,719	31	MMS	S/L	1,825	93
222	NEW PARKING LOT	9/30/89	9,630				9,630	20	MQ	S/L	8,968	482
223	PARKING LOT	9/30/90	1,999				1,999	20	HY	S/L	1,749	100
225	SANDERDUST BLDG EXT	8/31/95	3,211				3,211	20	HY	S/L	2,007	160
227	SHARP UX175 FAX	11/30/97	190				190	10	HY	150DB	190	0
235	IBM APTIVA CMPTR	9/30/98	2,401				2,401	5	HY	150DB	2,401	0
237	HP LASER PRINTER	12/31/98	1,268				1,268	5	HY	150DB	1,268	0
238	COMPUTER 17INCH MONITOR	3/16/99	230				230	5	HY	150DB	230	0
239	HP OFFICEJET 710 CLR	3/16/99	500				500	5	HY	150DB	500	0
240	INTEL PII450 512K COMPUTER	3/17/99	2,414				2,414	5	HY	150DB	2,414	0
248	CARPET	1/31/00	3,580				3,580	5	HY	S/L	3,580	0
254	Carpet	8/31/00	1,055				1,055	5	HY	S/L	1,055	0
255	Telephone System	4/27/00	2,800				2,800	7	HY	S/L	2,800	0
256	Telephone System	5/17/00	11,659				11,659	7	HY	S/L	11,659	0
257	Telephone System	6/30/00	6,532				6,532	7	HY	S/L	6,532	0
258	Fax machine	1/31/01	299				299	7	HY	S/L	299	0
259	COPIER	6/15/03	500			X	250	7	HY	200DB	444	23
			<u>78,150</u>				<u>77,900</u>				<u>70,367</u>	<u>1,542</u>
ACRS:												
41	NEW ROOF	9/30/86	8,250				8,250	19	MMS	S/L	8,250	0
210	RESTROOM	10/01/84	3,787				3,787	18	MMS	S/L	1,060	0
212	PILINGS	10/01/84	250,376				250,376	18	MMS	S/L	250,376	0
213	DOCK	4/01/85	4,233				4,233	18	MMS	S/L	4,233	0
214	DRYER FLOOR	4/15/85	11,241				11,241	18	MMS	S/L	11,241	0
217	NEW BLDG ADD'N	9/30/86	5,873				5,873	19	MMS	S/L	5,873	0
	Total ACRS Depreciation		<u>283,760</u>				<u>283,760</u>				<u>281,033</u>	<u>0</u>
Other Depreciation:												
146	CLARK #15	7/01/71	0				0	0	HY		0	0
160	FILE CABINET	7/01/63	0				0	0	HY		0	0
161	STEEL FILE CAB	8/01/65	0				0	0	HY		0	0
162	STEEL FILE CAB	12/01/65	0				0	0	HY		0	0
163	STEEL FILE CAB	11/01/65	0				0	0	HY		0	0
164	FILE CABINET	5/01/66	0				0	0	HY		0	0
165	DESK & CHAIRS	11/01/66	0				0	0	HY		0	0
167	ARM CHAIR	11/01/67	0				0	0	HY		0	0
168	METAL DESK	12/31/68	0				0	0	HY		0	0
172	FIRE PROOF FILE	5/01/77	0				0	0	HY		0	0
198	OFC REMODELING	7/01/73	0				0	0	HY		0	0
199	PAVING & PATCHING	3/31/73	0				0	0	HY		0	0
200	SEWER	1/01/75	0				0	0	HY		0	0
201	NEW DRYER BLDG	3/01/75	0				0	0	HY		0	0
202	CUTTER & SPOUTS	3/01/75	0				0	0	HY		0	0
203	RETAIL SHED	10/01/75	0				0	0	HY		0	0
204	SPRINKLER SYS	12/01/76	0				0	0	HY		0	0
205	CIRCUIT BREAKER	9/01/76	0				0	0	HY		0	0
207	ROOF SUPPORT	9/01/79	0				0	0	HY		0	0
208	RETAINAGE WALL	12/01/80	0				0	0	HY		0	0
209	RAILROAD SPUR	8/01/78	0				0	0	HY		0	0
215	FIRE PUMP	12/15/85	0				0	0	HY		0	0
216	FAN SILENCERS	12/06/85	0				0	0	HY		0	0
	Total Other Depreciation		<u>0</u>				<u>0</u>				<u>0</u>	<u>0</u>
	Total ACRS and Other Depreciation		<u>283,760</u>				<u>283,760</u>				<u>281,033</u>	<u>0</u>

AMT Asset Report

Form 1120, Page 1

Asset	Description	Date In Service	Cost	Bus %	Sec 179 Bonus	Basis for Depr	PerConv Meth	Prior	Current
	Grand Totals		361,910			361,660		351,400	1,542
	Less: Dispositions		0			0		0	0
	Net Grand Totals		<u>361,910</u>			<u>361,660</u>		<u>351,400</u>	<u>1,542</u>

Linnton Plywood P.C.

93-0396404

FYE: 3/31/2009

Depreciation Adjustment Report

All Business Activities

Form	Unit	Asset	Description	Tax	AMT	ACE	AMT Adjustments/ Preferences
MACRS Adjustments:							
Page 1	1	49	RAILROAD SPUR	541	541	540	0
Page 1	1	196	COMPUTER PENT 100MHZ	0	0	0	0
Page 1	1	218	BUILDING NOISE SYSTEM	0	0	0	0
Page 1	1	219	SPRINKLER SYSTEM	0	0	0	0
Page 1	1	220	HYDRAULIC ROOM	144	143	144	1
Page 1	1	221	MDO ROOF FAN	93	93	93	0
Page 1	1	222	NEW PARKING LOT	482	482	481	0
Page 1	1	223	PARKING LOT	100	100	100	0
Page 1	1	225	SANDERDUST BLDG EXT	160	160	160	0
Page 1	1	248	CARPET	0	0	0	0
Page 1	1	254	Carpet	0	0	0	0
Page 1	1	255	Telephone System	0	0	0	0
Page 1	1	256	Telephone System	0	0	0	0
Page 1	1	257	Telephone System	0	0	0	0
Page 1	1	258	Fax machine	0	0	0	0
Page 1	1	259	COPIER	23	23	23	0
				<u>1,543</u>	<u>1,542</u>	<u>1,541</u>	<u>1</u>

Additional ACE Information for Other Assets:

Page 1	1	41	NEW ROOF	0	0*	353	
Page 1	1	146	CLARK #15	0	0*	0	
Page 1	1	160	FILE CABINET	0	0*	0	
Page 1	1	161	STEEL FILE CAB	0	0*	0	
Page 1	1	162	STEEL FILE CAB	0	0*	0	
Page 1	1	163	STEEL FILE CAB	0	0*	0	
Page 1	1	164	FILE CABINET	0	0*	0	
Page 1	1	165	DESK & CHAIRS	0	0*	0	
Page 1	1	167	ARM CHAIR	0	0*	0	
Page 1	1	168	METAL DESK	0	0*	0	
Page 1	1	172	FIRE PROOF FILE	0	0*	0	
Page 1	1	198	OFC REMODELING	0	0*	0	
Page 1	1	199	PAVING & PATCHING	0	0*	0	
Page 1	1	200	SEWER	0	0*	0	
Page 1	1	201	NEW DRYER BLDG	5,162	0*	5,162 s	
Page 1	1	202	CUTTER & SPOUTS	0	0*	0	
Page 1	1	203	RETAIL SHED	0	0*	0	
Page 1	1	204	SPRINKLER SYS	0	0*	0	
Page 1	1	205	CIRCUIT BREAKER	0	0*	0	
Page 1	1	207	ROOF SUPPORT	0	0*	0	
Page 1	1	208	RETAINAGE WALL	0	0*	0	
Page 1	1	209	RAILROAD SPUR	0	0*	0 s	
Page 1	1	210	RESTROOM	0	0*	0	
Page 1	1	212	PILINGS	0	0*	0	
Page 1	1	213	DOCK	0	0*	0	
Page 1	1	214	DRYER FLOOR	0	0*	0	
Page 1	1	215	FIRE PUMP	0	0*	0	
Page 1	1	216	FAN SILENCERS	0	0*	0	
Page 1	1	217	NEW BLDG ADD'N	0	0*	251	
Page 1	1	227	SHARP UX175 FAX	0	0*	0	
Page 1	1	235	IBM APTIVA CMPTR	0	0*	0	
Page 1	1	237	HP LASER PRINTER	0	0*	0	
Page 1	1	238	COMPUTER 17INCH MONITOR	0	0*	0	
Page 1	1	239	HP OFFICEJET 710 CLR	0	0*	0	
Page 1	1	240	INTEL P11450 512K COMPUTER	0	0*	0	
				<u>5,162</u>	<u>0</u>	<u>5,766 s</u>	

* - This asset has no values in AMT column, assume AMT = Tax Value
s - Substituted applicable AMT or Tax data when ACE column is blank.

93-0396404

Depreciation Adjustment Report

FYE: 3/31/2009

All Business Activities

<u>Form</u>	<u>Unit</u>	<u>Asset</u>	<u>Description</u>	<u>Tax</u>	<u>AMT</u>	<u>ACE</u>	<u>AMT Adjustments/ Preferences</u>
			Totals for ACE Depreciation Adjustment:				
			AMT Depreciation Addback		6,704		
			ACE Depreciation Expense			7,307 s	

Linnton P.O.

Form 1120-C		Two Year Comparison Worksheet Page 1		2007 & 2008	
Name Linnton Plywood Association			Employer Identification Number 93-0396404		
		2007	2008	Differences	
Income	Gross profit percentage				
	Gross receipts less returns and allowances				
	Cost of goods sold				
	Gross profit				
	Dividends				
	Interest	1,238	5,614	4,376	
	Gross rents and royalties	352,506	372,789	20,283	
	Capital gain net income from Schedule D				
	Net gain or (loss) from Form 4797				
	Other income	10,000		-10,000	
	Total Income	363,744	378,403	14,659	
Deductions	Compensation of officers				
	Salaries and wages less employment credits	173,821	94,693	-79,128	
	Bad debts				
	Rents				
	Taxes and licenses	101,503	96,063	-5,440	
	Interest				
	Charitable contributions				
	Depreciation	8,224	6,705	-1,519	
	Advertising				
	Pension, profit-sharing, etc., plans				
	Employee benefit programs	7,064	4,153	-2,911	
	Domestic production activities deduction				
	Other deductions	390,589	158,585	-232,004	
	Total deductions	681,201	360,199	-321,002	
	Taxable income before sec 1382, NOL & special deductions	-317,457	18,204	335,661	
Deductions and adjustments under section 1382					
Net operating loss		18,204	18,204		
Special deductions					
Tax and Payments	Taxable income	-317,457		317,457	
	Income tax	0	0	0	
	Alternative minimum tax				
	Foreign tax credit				
	Credit from Form 8834				
	General business credit				
	Credit for prior year minimum tax				
	Other taxes				
	Total tax (Including additional taxes)	0	0	0	

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99	100

Form **1120-C****Two Year Comparison Worksheet Page 2****2007 & 2008**

Name

Linnton Plywood Association

Employer Identification Number

93-0396404

	2007	2008	Differences	
Payments and Credits	Prior year overpayment credited to current year			
	Current year estimated tax payments			
	Refund applied for on Form 4466	X)	
	Tax deposited with Form 7004			
	Credit from Form 2439			
	Credit for Federal tax on fuels			
	Refundable credits			
	Section 1383 credit			
Backup withholding				
Total payments and credits				
Tax Due or Refund	Tax due (overpayment)	0	0	0
	Estimated tax penalty from Form 2220			
	Penalties and interest			
	Net tax due (overpayment)	0	0	0
	Amount of overpayment credited to next year's tax			
Amount of overpayment refunded				
Sch L	Beginning assets	875,603	1,335,419	459,816
	Beginning liabilities and equity	875,603	1,335,419	459,816
	Ending assets	785,703	1,528,963	743,260
	Ending liabilities and equity	785,703	1,528,963	743,260
Sch M-1	Net income per books			
	Federal income tax			
	Excess of capital losses over capital gains			
	Taxable income not on books			
	Book expenses not deducted	22,889	16,060	-6,829
	Income on books not on return	312,598	-23,951	-336,549
	Return deductions not on books	27,888	21,807	-6,081
Income per return	-317,597	18,204	335,801	
Sch M-2	Beginning of year balance	-57,891	-57,891	
	Net income (loss) per books			
	Other increases			
	Cash distributions			
	Stock distributions			
	Property distributions			
	Other decreases			
Balance at end of year	-57,891	-57,891		
Sch M-3	Total income (loss) items:			
	Income (loss) per income statement			
	Temporary difference			
	Permanent difference			
	Income (loss) per tax return			
	Total expense/deduction items:			
	Expense per income statement			
	Temporary difference			
	Permanent difference			
	Deduction per tax return			
	Other items with no differences:			
	Income (loss) per income statement			
	Income (loss) per tax return			
	Reconciliation totals:			
Income (loss) per income statement				
Temporary difference				
Permanent difference				
Income (loss) per tax return				

Federal Statements

Form 1120-C, Page 1, Line 5 - Interest

Description	Amount
Interest income	\$ 5,614
Total	\$ 5,614

Form 1120-C, Page 1, Line 6 - Gross Rents and Royalties

Description	Amount
Gross Rents	\$ 372,789
Total	\$ 372,789

Form 1120-C, Page 1, Line 15 - Taxes and Licenses

Description	Amount
City of PDX Bus. Lic Fee	\$ 100
Other taxes - Paychex	6,558
State Corp. Income Tax	10
Multnomah County	100
Property taxes	89,295
Total	\$ 96,063

2-1-14 P C

Federal Statements

Form 1120-C, Page 5, Schedule L, Line 2a - Trade Notes and Accounts Receivable

Description	Beginning of Year	End of Year
Rent Receivable	\$	\$ 145,836
Total	\$ 0	\$ 145,836

Form 1120-C, Page 5, Schedule L, Line 15 - Mortgages, Notes, Bonds Payable

Description	Beginning of Year	End of Year
Ins. Premium Financing	\$	\$ 7,080
Ins. Premium Financing		1,425
Total	\$ 0	\$ 8,505

Form 1120-C, Page 5, Schedule L, Line 27 - Cost of Treasury Stock

Description	Beginning of Year	End of Year
Treasury stock - cost	\$ 592,092	\$ 592,092
Total	\$ 592,092	\$ 592,092

Form **1120-C**

U.S. Income Tax Return for Cooperative Associations

OMB No. 1545-2052

For calendar year 2007 or tax year beginning **4/01/07**, ending **3/31/08****2007**

▶ See separate instructions.

A Check if: 1 Consolidated return (attach Form 851) <input type="checkbox"/> 2 Schedule M-3 (Form 1120) attached <input type="checkbox"/> 3 Form 1120 filed in previous tax year <input type="checkbox"/>		Please type or print Name Number, street, and room or suite no. (If a P.O. box, see instructions.) LINNTON PLYWOOD ASSOCIATION 10504 NW ST. HELENS ROAD City or town, state, and ZIP code PORTLAND OR 97231	B Employer identification number 93-0396404
C Check if: (1) Farmers' tax exempt cooperative <input type="checkbox"/> (2) Nonexempt cooperative <input checked="" type="checkbox"/>			

D Check if: (1) Initial return (2) Final return (3) Name change (4) Address change (5) ☒ Amended return **STMT 1**

Income	1a	Gross receipts or sales		b	Less returns and allowances		c	Bal		1c	
	2	Cost of goods sold (Schedule A, line 9)								2	
	3	Gross profit. Subtract line 2 from line 1c								3	
	4	Dividends (Schedule C, line 19)								4	
	5	Interest								5	1,238
	6	Gross rents and royalties								6	352,506
	7	Capital gain net income (attach Schedule D (Form 1120))								7	
	8	Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)								8	
	9	Other income (see instructions—attach schedule)								9	10,000
	10	Total income. Add lines 3 through 9								10	363,744
Deductions (See instructions for limitations on deductions.)	11	Compensation of officers (Schedule E, line 4)								11	
	12	Salaries and wages (less employment credits)								12	92,821
	13	Bad debts								13	
	14	Rents								14	
	15	Taxes and licenses								15	94,103
	16	Interest								16	
	17	Charitable contributions								17	
	18	Depreciation not claimed in Schedule A or elsewhere on return (attach Form 4562)								18	8,224
	19	Advertising								19	
	20	Pension, profit-sharing, etc., plans								20	
	21	Employee benefit programs								21	4,180
	22	Domestic production activities deduction (attach Form 8903)								22	
	23	Other deductions (attach schedule)								23	214,402
	24	Total deductions. Add lines 11 through 23								24	413,730
	25	Taxable income before section 1382, NOL, and special deductions. Subtract line 24 from line 10								25	-49,986
Tax and Payments	26	Less: a Deductions and adjustments under section 1382 (Schedule H, line 5)		26a						26d	
		b Net operating loss deduction (see instructions)		26b							
		c Special deductions (Schedule C, line 20)		26c							
	27	Taxable income. Subtract line 26d from line 25 (see instructions)								27	-49,986
	28	Total tax (Schedule J, line 9)								28	0
	29a	2006 overpayment credited to 2007	29a								
	b	2007 estimated tax payments	29b								
	c	2007 refund applied for on Form 4466	29c								
	e	Tax deposited with Form 7004		29d							
	f	Credits: (1) Form 2439 (2) Form 4136		29e							
30	Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/>		29f								
31	Amount owed. If line 29h is smaller than the total of lines 28 and 30, enter amount owed		29g								
32	Overpayment. If line 29h is larger than the total of lines 28 and 30, enter amount overpaid										
33	Enter amount of line 32 you want: Credited to 2008 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>										

Sign Here ▶ *[Signature]* Signature of officer Date **9-14-07** Title

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

May the IRS discuss this return with the preparer shown below (see instr.)? ☒ Yes ☐ No

Paid Preparer's Use Only	Preparer's signature	<i>[Signature]</i>	Date	9/01/09	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN	P00158922
	Firm's name (or your name if self-employed), address, and ZIP code	FELLNER & KOHN, P.C. 1900 SW 5TH AVE #1815 PORTLAND, OR				Phone no.	503-227-0443

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.

Form 1120-C (2007)

Schedule A Cost of Goods Sold (see instructions)

1	Inventory at beginning of year	1	
2	Purchases	2	
3	Cost of labor	3	
4	Per-unit retain allocations paid in:		
a	Qualified per-unit retain certificates	4a	
b	Money or other property (except nonqualified per-unit certificates)	4b	
5	Nonqualified per-unit retain certificates redeemed this year	5	
6a	Additional section 263A costs (attach schedule)	6a	
b	Other costs (attach schedule)	6b	
7	Total. Add lines 1 through 6b	7	
8	Inventory at end of year	8	
9	Cost of goods sold. Subtract line 8 from line 7. Enter here and on line 2, page 1	9	

10a Check all methods used for valuing closing inventory:

(i) ☐ Cost as described in Regulations section 1.471-3

(ii) ☒ Lower of cost or market as described in Regulations section 1.471-4

(iii) ☐ Other (Specify method used and attach explanation) ▶

b Check if there was a writedown of subnormal goods as described in Regulations section 1.471-2(c) ▶ ☐

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ▶ ☐

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO 10d

e If property is produced or acquired for resale, do the rules of section 263A apply to the cooperative? ☒ Yes ☐ No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? ☐ Yes ☒ No

If "Yes," attach explanation.

Schedule C Dividends and Special Deductions (see instructions)

	(a) Dividends received	(b) %	(c) Deduction ((a) x (b))
1	Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock)	70	
2	Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock)	80	
3	Dividends on debt-financed stock of domestic and foreign corporations	See instructions	
4	Dividends on certain preferred stock of less-than-20%-owned public utilities	42	
5	Dividends on certain preferred stock of 20%-or-more-owned public utilities	48	
6	Dividends from less-than-20%-owned foreign corporations and certain FSCs	70	
7	Dividends from 20%-or-more-owned foreign corporations and certain FSCs	80	
8	Dividends from wholly owned foreign subsidiaries	100	
9	Total. Add lines 1 through 8. See instructions for limitation		
10	Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958	100	
11	Dividends from affiliated group members	100	
12	Dividends from certain FSCs	See instructions	
13	Dividends from foreign corporations not included on lines 3, 6, 7, 8, 11, or 12		
14	Income from controlled foreign corporations under subpart F (attach Form(s) 5471)		
15	Foreign dividend gross-up		
16	IC-DISC and former DISC dividends not included on lines 1, 2, or 3		
17	Other dividends		
18	Deduction for dividends paid on certain preferred stock of public utilities		
19	Total dividends. Add lines 1 through 17. Enter here and on line 4, page 1		
20	Total special deductions. Add lines 9, 10, 11, 12, and 18. Enter here and on line 26c, page 1		

Schedule E Compensation of Officers (See instructions for line 11, page 1.)

Complete Schedule E only if total receipts (line 1a, plus lines 4 through 9, of page 1) are \$500,000 or more.

(a) Name of officer	(b) Social security number	(c) Percent of time devoted to business	Percent of association's stock owned		(f) Amount of compensation
			(d) Common	(e) Preferred	
1		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	

2	Total compensation of officers	2
3	Compensation of officers claimed on Schedule A and elsewhere on return	3
4	Subtract line 3 from line 2. Enter the result here and on line 11, page 1	4

Schedule G Allocation of Patronage and Nonpatronage Income and Deductions. Before completing, see Question 14 of Schedule K.

	(a) Patronage	(b) Nonpatronage
1 Gross receipts or sales	1	
2 Cost of goods sold	2	
3 Gross profit. Subtract line 2 from line 1	3	
4 Other income	4	363,744
5 Total income. Combine lines 3 and 4	5	363,744
6a Domestic production activities deduction (attach Form 8903)	6a	
b Other deductions	6b	413,730
c Total deductions (add lines 6a and 6b)	6c	413,730
7 Taxable income before section 1382, NOL, and special deductions. Subtract line 6c from line 5	7	-49,986
8 Deductions and adjustments under section 1382 from Schedule H, line 5 (see instructions)	8	
9a Net operating loss deduction (attach schedule)	9a	
b Special deductions (see instructions)	9b	
10 Taxable income. Subtract the total of lines 8, 9a, and 9b from line 7	10	0 -49,986
11 Combined taxable income. Combine columns (a) and (b) of line 10 (see instructions)	11	-49,986
12 Unused patronage loss (see instructions)	12	
13 Unused nonpatronage loss (see instructions)	13	1,577,895

Schedule H Deductions and Adjustments Under Section 1382 (see instructions)

1 Dividends paid on capital stock (section 521 cooperatives only)	1
2 Nonpatronage income allocated to patrons (section 521 cooperatives only)	2
3 Patronage dividends:	
a Money	3a
b Qualified written notices of allocation	3b
c Other property (except nonqualified written notices of allocation)	3c
d Money or other property (except written notices of allocation) in redemption of nonqualified written notices of allocation	3d
4 Domestic production activities deduction allocated to patrons	4
5 Total. Combine lines 1 through 4. Enter here and on line 26a, page 1, and Schedule G, line 8	5

Fellner & Kuhn, P.C.

Schedule J Tax Computation (see instructions)

1	Check if the cooperative is a member of a controlled group (attach Schedule O (Form 1120))	<input type="checkbox"/>		
2	Income tax (see instructions)		2	0
3	Alternative minimum tax (attach Form 4626)		3	
4	Add lines 2 and 3		4	0
5a	Foreign tax credit (attach Form 1118)	5a		
b	Credit from Forms 5735 and 8834	5b		
c	General business credit. Check applicable box(es): <input type="checkbox"/> Form 6478 <input type="checkbox"/> Form 8835, Section B <input type="checkbox"/> Form 8844 <input type="checkbox"/> Form 5884 <input type="checkbox"/> Form 8846	5c	0	
d	Credit for prior year minimum tax (attach Form 8827)	5d		
6	Total credits. Add lines 5a through 5d		6	
7	Subtract line 6 from line 4		7	
8	Other taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Other (attach schedule) <input type="checkbox"/> Form 8902		8	
9	Total tax. Add lines 7 and 8. Enter here and on line 28, page 1		9	0

Schedule K Other Information (see instructions)

	Yes	No		Yes	No
1	Check accounting method:		8	At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of (a) the total voting power of all classes of stock of the cooperative entitled to vote or (b) the total value of all classes of stock of the cooperative?	
a	<input type="checkbox"/>	Cash			
b	<input checked="" type="checkbox"/>	Accrual			<input checked="" type="checkbox"/>
c	<input type="checkbox"/>	Other (specify) ▶			
2	See the instructions and enter the:				
a	Business activity code no. ▶ 321210		c	The cooperative may have to file Form 5472, Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter number of Forms 5472 attached ▶	
b	Business activity ▶ MANUFACTURING		9	Check this box if the cooperative issued publicly offered debt instruments with original issue discount <input type="checkbox"/>	
c	Product or service ▶ PLYWOOD			If checked, the cooperative may have to file Form 8281, Information Return for Publicly Offered Original Issue Discount Instruments.	
3	Enter the date of incorporation ▶ 2/02/1951		10	Enter the amount of tax-exempt income received or accrued during the tax year (for example, interest or extraterritorial income) ▶ \$ 0	
4	At the end of the tax year, did the cooperative own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).) If "Yes," attach a schedule showing: (a) name and employer identification number (EIN), (b) percentage owned, and (c) taxable income or (loss) before NOL and special deductions of such corporation for the tax year ending with or within your tax year.		11a	Enter the number of foreign patrons at the end of the tax year ▶	
		<input checked="" type="checkbox"/>	b	Enter the total amount of patronage distributions described in (or deducted under) IRC 1382(b) paid or allocated to foreign patrons ▶ 0	
5	Is the cooperative a subsidiary in an affiliated group or a parent-subsidiary controlled group? If "Yes," enter name and EIN of the parent corporation ▶		12	If the cooperative has an NOL for the tax year and is electing to forego the carryback period, check here <input type="checkbox"/> If the cooperative is filing a consolidated return, the statement required by Regulations section 1.1502-21(b)(3) must be attached or the election will not be valid.	
		<input checked="" type="checkbox"/>	13	Enter the available NOL carryover from prior tax years (Do not reduce it by any deduction on line 26b.) Patronage ▶ \$ Nonpatronage ▶ \$ 1,527,909	
6	At the end of the tax year, did any individual, partnership, corporation, estate, or trust own, directly or indirectly, 50% or more of the cooperative's voting stock? (For rules of attribution, see section 267(c).) If "Yes," attach a schedule showing name and identifying number. (Do not include any information already entered in 5 above.) Enter percentage owned ▶		14	Are the cooperative's total receipts (line 1a plus lines 4 through 9 on page 1) for the tax year and its total assets at the end of the tax year less than \$250,000? If "Yes," the cooperative is not required to complete Schedules G, L, M-1, or M-2. Instead, enter the total amount of cash distributions and the book value of property distributions (other than cash) made during the tax year. ▶ \$	
		<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>
7	Enter the cooperative's total assets (see instructions) ▶ \$ 1,335,419				

Felner & Kuhn, P.C.

Schedule L Balance Sheets per Books		Beginning of tax year		End of tax year	
Assets		(a)	(b)	(c)	(d)
1	Cash		196,406		192,613
2a	Trade notes and accounts receivable				
b	Less allowance for bad debts	()	()	()	()
3	Inventories				
4	Other current assets (att. sch.) STMT 4		351,405		273,522
5	Investments (see instructions)				
6	Loans to shareholders				
7	Mortgage and real estate loans				
8a	Buildings and other depreciable assets	793,925		793,925	
b	Less accumulated depreciation	(742,243)	51,682	(750,467)	43,458
9a	Depletable assets				
b	Less accumulated depletion	()	()	()	()
10	Land (net of amortization)		276,110		276,110
11a	Intangible assets (amortizable only)				
b	Less accumulated amortization	()	()	()	()
12	Other assets (attach sch.) STMT 5		282,104		549,716
13	Total assets		1,157,707		1,335,419
Liabilities and Capital					
14	Accounts payable				153,887
15	Mortgages, notes, bonds payable in less than 1 year				
16	Other current liabilities (att. sch.) STMT 6		27,920		96,731
17	Loans from shareholders				
18	Mortgages, notes, bonds payable in 1 year or more				
19	Other liabilities (attach schedule) STMT 7		779,770		734,784
20	Capital stock:				
a	Preferred stock				
b	Common stock	1,000,000	1,000,000	1,000,000	1,000,000
21	Additional paid-in capital				
22	Patronage dividends allocated in noncash form				
23	Per-unit retains allocated in noncash form				
24	Retained earnings—Appropriated (att. sch.)				
25	Retained earnings—Unappropriated		-57,891		-57,891
26	Adjustments to SH equity (att.sch.)				
27	Less cost of treasury stock		592,092		592,092
28	Total liabilities and capital		1,157,707		1,335,419

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return

Note: Schedule M-3 required instead of Schedule M-1 if total assets are \$10 million or more—see instructions

1	Net income (loss) per books		7	Income recorded on books this year not included in this tax return (itemize):	
2	Federal income tax per books			Tax-exempt interest \$	
3	Excess of capital losses over capital gains				
4	Income subject to tax not recorded on books this year (itemize):			STMT 9 44,987	44,987
5	Expenses recorded on books this year not deducted in this return (itemize):		8	Deductions in this tax return not charged against book income this year (itemize):	
a	Depreciation \$		a	Depreciation \$	
b	Charitable contributions \$		b	Charitable contributions \$	
c	Travel and entertainment \$ 1,082			STMT 10 27,888	27,888
STMT 8 21,807		22,889			
6	Add lines 1 through 5	22,889	9	Add lines 7 and 8	72,875
			10	Income (line 25, page 1)—line 6 less line 9	-49,986

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)

1	Balance at beginning of year	-57,891	5	Distributions:	
2	Net income (loss) per books	0	a	Cash	
3	Other increases (itemize):		b	Stock	
			c	Property	
			6	Other decreases (itemize):	
			7	Add lines 5 and 6	
4	Add lines 1, 2, and 3	-57,891	8	Balance at end of year (line 4 less line 7)	-57,891

Form **4562**
 Department of the Treasury
 Internal Revenue Service

Depreciation and Amortization

(Including Information on Listed Property)

OMB No. 1545-0172

2007

Attachment
Sequence No. **67**

▶ See separate instructions. ▶ Attach to your tax return.

Name(s) shown on return

LINNTON PLYWOOD ASSOCIATION

Identifying number

93-0396404

Business or activity to which this form relates

REGULAR DEPRECIATION

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount. See the instructions for a higher limit for certain businesses	1	125,000
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation	3	500,000
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	

(a) Description of property	(b) Cost (business use only)	(c) Elected cost	
6			
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2006 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2008. Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)

14	Special allowance for qualified New York Liberty or Gulf Opportunity Zone property (other than listed property) and cellulosic biomass ethanol plant property placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	5,162

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2007	17	3,062
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here		

Section B-Assets Placed in Service During 2007 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only-see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property			27.5 yrs.	MM	S/L	
			27.5 yrs.	MM	S/L	
i Nonresidential real property			39 yrs.	MM	S/L	
				MM	S/L	

Section C-Assets Placed in Service During 2007 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year			40 yrs.	MM	S/L	

Part IV Summary (see instructions)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships, and S corporations-see instr.	22	8,224
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

For Paperwork Reduction Act Notice, see separate instructions.

Form 4562 (2007)

DAA

THERE ARE NO AMOUNTS FOR PAGE 2

NOL and Contribution Carryover Worksheet - Regular Tax

Form **1120****2007**For calendar year 2007 or tax year beginning **4/01/07**, ending **3/31/08**

Name

Employer Identification Number

LINNTON PLYWOOD ASSOCIATION**AMENDED****93-0396404**

Preceding Taxable Year	Adj. To NOL Inc/(Loss) After Adj.	Prior Year		Current Year	Next Year
		NOL Utilized (Income Offset)	Carryovers	Income Offset By NOL Carryback/Carryover NOL Utilized	Carryover
15th 3/31/93					
14th 3/31/94					
13th 3/31/95					
12th 3/31/96					
11th 3/31/97					
10th 3/31/98					
9th 3/31/99					
8th 3/31/00					
7th 3/31/01	-46,813		46,813		46,813
6th 3/31/02	-556,891		556,891		556,891
5th 3/31/03	-356,521		356,521		356,521
4th 3/31/04	-257,755		257,755		257,755
3rd 3/31/05	-180,520		180,520		180,520
2nd 3/31/06	-43,028		43,028		43,028
1st 3/31/07	-86,381		86,381		86,381
NOL Carryover Available To Current Year			1,527,909		
Current Year	0 -49,986				49,986
NOL Carryover Available To Next Year					1,577,895

Charitable Contributions		Prior Year		Current Year		Next Year
Preceding Tax Year	Excess Contributions	Utilized Or Reclassed to NOL	Carryover	Reclassified to NOL (Reg. Sec. 1.170A-11(c)(2))	Carryovers Utilized	Carryover
5th 3/31/03						
4th 3/31/04						
3rd 3/31/05						
2nd 3/31/06						
1st 3/31/07						
Charitable Contribution Carryover To Current Year			0			
Current Year	0					0
Charitable Contribution Carryover Available To Next Year						0

NOL and Contribution Carryover Worksheet - AMT

Form **1120****2007**For calendar year 2007 or tax year beginning **4/01/07**, ending **3/31/08**

Name

Employer Identification Number

LINNTON PLYWOOD ASSOCIATION**AMENDED****93-0396404**

Preceding Taxable Year	Adj. To NOL Inc/(Loss) After Adj.	Prior Year		Current Year	Next Year
		NOL Utilized (Income Offset)	Carryovers	Income Offset By NOL Carryback/ Carryover NOL Utilized	Carryover
15th 3/31/93					
14th 3/31/94					
13th 3/31/95					
12th 3/31/96					
11th 3/31/97					
10th 3/31/98					
9th 3/31/99					
8th 3/31/00					
7th 3/31/01	-231,799	184,986	46,813		46,813
6th 3/31/02	-559,731		559,731		559,731
5th 3/31/03	-359,928		359,928		359,928
4th 3/31/04	-257,756		257,756		257,756
3rd 3/31/05	-180,519		180,519		180,519
2nd 3/31/06	-43,028		43,028		43,028
1st 3/31/07	-86,381		86,381		86,381
NOL Carryover Available To Current Year			1,534,156		
Current Year	0 -49,987				49,987
NOL Carryover Available To Next Year					1,584,143

Charitable Contributions		Prior Year		Current Year		Next Year
Preceding Tax Year	Excess Contributions	Utilized Or Reclassified to NOL	Carryover	Reclassified to NOL (Reg. Sec. 1.170A-11(c)(2))	Carryovers Utilized	Carryover
5th 3/31/03						
4th 3/31/04						
3rd 3/31/05						
2nd 3/31/06						
1st 3/31/07						
Charitable Contribution Carryover To Current Year			0			
Current Year	0					0
Charitable Contribution Carryover Available To Next Year						0

93-0396404

Federal Statements

FYE: 3/31/2008

Statement 1 - Form 1120-C, Page 1, Item D(5) - Reason for Amended ReturnDescription

THE AMENDMENT IS NECESSARY TO RECLASSIFY EXPENSES ASSOCIATED WITH THE SALE OF REAL PROPERTY. EXPENSES WERE REDUCED AS FOLLOWS:

PAYROLL	\$ 81,000
PAYROLL TAX AND INSURANCE	10,285
PROFESSIONAL FEES	176,327
 TOTAL	 \$267,612

THE TOTAL AMOUNT OF EXPENSES LISTED ABOVE, \$267,612, WAS CAPITALIZED AS A PREPAID SELLING COST.

Statement 2 - Form 1120-C, Page 1, Line 9 - Other Income

<u>Description</u>	<u>Amount</u>
MISCELLANEOUS INCOME	\$ 10,000
 TOTAL	 \$ 10,000

Statement 3 - Form 1120-C, Page 1, Line 23 - Other Deductions

<u>Description</u>	<u>Amount</u>
FUEL, POWER, WATER	\$ 41,698
INSURANCE	49,837
SECURITY PATROL	49,164
PROFESSIONAL FEES	47,437
TELEPHONE	2,036
OFFICE SUPPLIES & EXPENSE	582
PRINTING AND POSTAGE	433
FEES, LICENSES & PERMITS	20,805
DUES & SUBSCRIPTIONS	274
MISCELLANEOUS & BANK FEES	913
50% OF MEALS & ENTERTAINMENT	1,083
REPAIRS AND MAINTENANCE	140
 TOTAL	 \$ 214,402

Fellner & Kuhn, P.C.

Federal Statements

Statement 4 - Form 1120-C, Page 5, Schedule L, Line 4 - Other Current Assets

Description	Beginning of Year	End of Year
UNEXPIRED INSURANCE	\$ 21,882	\$ 13,671
ACCOUNTS RECEIVABLE - OTHER	-10,000	
PREPAID PROPERTY TAXES	18,211	
DEFERRED INCOME TAXES	135,000	135,000
PREPAID ENVIRONMENTAL COSTS	19,538	19,538
RENT RECEIVABLE	166,774	105,313
TOTAL	\$ 351,405	\$ 273,522

Statement 5 - Form 1120-C, Page 5, Schedule L, Line 12 - Other Assets

Description	Beginning of Year	End of Year
SELLING COSTS - 3/31/06	\$ 133,637	\$ 133,637
SELLING COSTS - 3/31/07	148,467	148,467
SELLING COSTS - 3/31/08		267,612
TOTAL	\$ 282,104	\$ 549,716

Statement 6 - Form 1120-C, Page 5, Schedule L, Line 16 - Other Current Liabilities

Description	Beginning of Year	End of Year
ACCRUED PAYROLL TAXES & INSUR	\$ 32	\$
ACCRUED INDUSTRIAL ACCIDENT	27,888	21,807
ACCRUED PROPERTY TAX		66,420
PREMIUM FINANCING		8,504
TOTAL	\$ 27,920	\$ 96,731

Fellner & Kuhn, P.C.

93-0396404

Federal Statements

FYE: 3/31/2008

Statement 7 - Form 1120-C, Page 5, Schedule L, Line 19 - Other Liabilities

Description	Beginning of Year	End of Year
UNRESTRICTED NON-PATRONAGE	\$ 116,787	\$ 116,787
UNRESTRICTED PATRONAGE	2,184,611	2,184,611
RESTRICTED NON-PATRONAGE	151,333	151,333
RESTRICTED PATRONAGE	62,540	62,540
OVERADVANCE 3-94	-2,342	-2,342
OVERADVANCE 3-96	-1,337	-1,337
OVERADVANCE 3-01	-25,135	-25,135
OVERADVANCE 3-02	-794,465	-794,465
NON-PATRONAGE 3-03	-358,444	-358,444
NON-PATRONAGE 3-04	-258,998	-258,998
NON-PATRONAGE 3-05	-189,771	-189,771
NON-PATRONAGE 3-06	-28,667	-28,667
NON-PATRONAGE 3-07	-76,342	-76,342
NON-PATRONAGE 3-08		-44,986
TOTAL	\$ 779,770	\$ 734,784

Statement 8 - Form 1120-C, Page 5, Schedule M-1, Line 5 - Expense on Books Not Deducted

Description	Amount
ACCR IND ACCIDENT 2008	\$ 21,807
TOTAL	\$ 21,807

Statement 9 - Form 1120-C, Page 5, Schedule M-1, Line 7 - Income on Books Not on Return

Description	Amount
NON-PATRONAGE ALLOCATED TO MEMBERS	\$ 44,987
TOTAL	\$ 44,987

Statement 10 - Form 1120-C, Page 5, Sch M-1, Line 8 - Deductions on Return Not on Books

Description	Amount
ACCR IND ACCIDENT 2007	\$ 27,888
TOTAL	\$ 27,888

Fellner & Kuhn, P.C.

Federal Statements

Form 1120-C, Page 1, Line 6 - Gross Rents and Royalties

Description	Amount
GROSS RENTS	\$ 352,506
TOTAL	\$ 352,506

Form 1120-C, Page 1, Line 15 - Taxes and Licenses

Description	Amount
PROPERTY TAXES	\$ 84,631
PAYROLL TAXES	8,481
OTHER	881
STATE OF OREGON TAXES	10
CITY OF PDX BUS. LIC FE	100
TOTAL	\$ 94,103

Fellner & Kuhn, P.C.

Exhibit 13-15

Page 80 of 127

Exhibit 13-15

Exhibit 13-15

Exhibit 13-15

Exhibit 13-15

Exhibit 13-15

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Exhibit 13-15

Exhibit 13-15

Exhibit 13-15

Form

1120-C

For calendar year 2007 or tax year beginning 4/01/07, ending 3/31/08

OMB No. 1545-2052

2007Department of the Treasury
Internal Revenue Service

▶ See separate instructions.

A Check if:

- 1 Consolidated return (attach Form 851) ☐
- 2 Schedule M-3 (Form 1120) attached ☐
- 3 Form 1120 filed in previous tax year ☐

Please type or print

Name Number, street, and room or suite no.
(If a P.O. box, see instructions.)**LINNTON PLYWOOD ASSOCIATION****10504 NW ST. HELENS ROAD**

City or town, state, and ZIP code

PORTLAND**OR 97231****B Employer identification number**
93-0396404**C Check if:**

- (1) Farmers' tax exempt cooperative ☐
- (2) Nonexempt cooperative ☒

D Check if:

(1) Initial return (2) Final return (3) Name change (4) Address change (5) Amended return

Income**Deductions (See instructions for limitations on deductions.)****Tax and Payments****Sign Here****Paid****Preparer's Use Only**

1a	Gross receipts or sales	b	Less returns and allowances	c	Bal	1c	
2	Cost of goods sold (Schedule A, line 9)					2	
3	Gross profit. Subtract line 2 from line 1c					3	
4	Dividends (Schedule C, line 19)	COPY ONLY DO NOT PROCESS - ATTACHMENT TO FORM AMENDED RETURN				4	
5	Interest					5	1,238
6	Gross rents and royalties					6	352,506
7	Capital gain net income (attach Schedule D (Form 1120))					7	
8	Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)					8	
9	Other income (see instructions—attach schedule)				SEE STMT 1	9	10,000
10	Total income. Add lines 3 through 9					10	363,744
11	Compensation of officers (Schedule E, line 4)					11	
12	Salaries and wages (less employment credits)					12	173,821
13	Bad debts					13	
14	Rents					14	
15	Taxes and licenses					15	101,503
16	Interest					16	
17	Charitable contributions					17	
18	Depreciation not claimed in Schedule A or elsewhere on return (attach Form 4562)					18	8,224
19	Advertising					19	
20	Pension, profit-sharing, etc., plans					20	
21	Employee benefit programs					21	7,064
22	Domestic production activities deduction (attach Form 8903)					22	
23	Other deductions (attach schedule)				SEE STMT 2	23	390,729
24	Total deductions. Add lines 11 through 23					24	681,341
25	Taxable income before section 1382, NOL, and special deductions. Subtract line 24 from line 10					25	-317,597
26	Less: a Deductions and adjustments under section 1382 (Schedule H, line 5)	26a				26d	
	b Net operating loss deduction (see instructions)	26b					
	c Special deductions (Schedule C, line 20)	26c					
27	Taxable income. Subtract line 26d from line 25 (see instructions)					27	-317,597
28	Total tax (Schedule J, line 9)					28	0
29a	2006 overpayment credited to 2007	29a					
b	2007 estimated tax payments	29b					
c	2007 refund applied for on Form 4466	29c					
d	Tax deposited with Form 7004	29d					
e	Credits: (1) Form 2439 (2) Form 4136	29e					
f	Section 1383 adjustment (see instructions)	29f					
g		29g				29h	
30	Estimated tax penalty (see instructions). Check if Form 2220 is attached					30	
31	Amount owed. If line 29h is smaller than the total of lines 28 and 30, enter amount owed					31	
32	Overpayment. If line 29h is larger than the total of lines 28 and 30, enter amount overpaid					32	
33	Enter amount of line 32 you want: Credited to 2008 estimated tax					33	

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

May the IRS discuss this return with the preparer shown below (see instr.)? ☒ Yes ☐ No

Signature of officer

Date

Title

Preparer's signature

Date

Check if self-employed ☐

Preparer's SSN or PTIN

P00158922

Firm's name (or yours if self-employed), address, and ZIP code

FELLNER & KUHN, P.C.**900 SW 5TH AVE #1815****PORTLAND, OR****97204-1227**

Phone no.

503-227-0443

Schedule A Cost of Goods Sold (see instructions)

1	Inventory at beginning of year	1	
2	Purchases	2	
3	Cost of labor	3	
4	Per-unit retain allocations paid in:		
a	Qualified per-unit retain certificates	4a	
b	Money or other property (except nonqualified per-unit certificates)	4b	
5	Nonqualified per-unit retain certificates redeemed this year	5	
6a	Additional section 263A costs (attach schedule)	6a	
b	Other costs (attach schedule)	6b	
7	Total. Add lines 1 through 6b	7	
8	Inventory at end of year	8	
9	Cost of goods sold. Subtract line 8 from line 7. Enter here and on line 2, page 1	9	

10a Check all methods used for valuing closing inventory:

(i) ☐ Cost as described in Regulations section 1.471-3

(ii) ☒ Lower of cost or market as described in Regulations section 1.471-4

(iii) ☐ Other (Specify method used and attach explanation) ▶

b Check if there was a writedown of subnormal goods as described in Regulations section 1.471-2(c) ▶ ☐

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ▶ ☐

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO 10d

e If property is produced or acquired for resale, do the rules of section 263A apply to the cooperative? ☒ Yes ☐ No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? ☐ Yes ☒ No

If "Yes," attach explanation.

Schedule C Dividends and Special Deductions (see instructions)

	(a) Dividends received	(b) %	(c) Deduction ((a) x (b))
1 Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock)		70	
2 Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock)		80	
3 Dividends on debt-financed stock of domestic and foreign corporations		See instructions	
4 Dividends on certain preferred stock of less-than-20%-owned public utilities		42	
5 Dividends on certain preferred stock of 20%-or-more-owned public utilities		48	
6 Dividends from less-than-20%-owned foreign corporations and certain FSCs		70	
7 Dividends from 20%-or-more-owned foreign corporations and certain FSCs		80	
8 Dividends from wholly owned foreign subsidiaries		100	
9 Total. Add lines 1 through 8. See instructions for limitation			
10 Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958		100	
11 Dividends from affiliated group members		100	
12 Dividends from certain FSCs		See instructions	
13 Dividends from foreign corporations not included on lines 3, 6, 7, 8, 11, or 12			
14 Income from controlled foreign corporations under subpart F (attach Form(s) 5471)			
15 Foreign dividend gross-up			
16 IC-DISC and former DISC dividends not included on lines 1, 2, or 3			
17 Other dividends			
18 Deduction for dividends paid on certain preferred stock of public utilities			
19 Total dividends. Add lines 1 through 17. Enter here and on line 4, page 1			
20 Total special deductions. Add lines 9, 10, 11, 12, and 18. Enter here and on line 26c, page 1			

Schedule E**Compensation of Officers** (See instructions for line 11, page 1.)

Complete Schedule E only if total receipts (line 1a, plus lines 4 through 9, of page 1) are \$500,000 or more.

(a) Name of officer	(b) Social security number	(c) Percent of time devoted to business	Percent of association's stock owned		(f) Amount of compensation
			(d) Common	(e) Preferred	
1		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	

2 Total compensation of officers

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3 Compensation of officers claimed on Schedule A and elsewhere on return

4 Subtract line 3 from line 2. Enter the result here and on line 11, page 1

Schedule G**Allocation of Patronage and Nonpatronage Income and Deductions.** Before completing, see Question 14 of Schedule K.

	(a) Patronage	(b) Nonpatronage
1 Gross receipts or sales	1	
2 Cost of goods sold	2	
3 Gross profit. Subtract line 2 from line 1	3	
4 Other income	4	363,744
5 Total income. Combine lines 3 and 4	5	363,744
6a Domestic production activities deduction (attach Form 8903)	6a	
b Other deductions	6b	681,341
c Total deductions (add lines 6a and 6b)	6c	681,341
7 Taxable income before section 1382, NOL, and special deductions. Subtract line 6c from line 5	7	-317,597
8 Deductions and adjustments under section 1382 from Schedule H, line 5 (see instructions)	8	
9a Net operating loss deduction (attach schedule)	9a	
b Special deductions (see instructions)	9b	
10 Taxable income. Subtract the total of lines 8, 9a, and 9b from line 7	10	0
11 Combined taxable income. Combine columns (a) and (b) of line 10 (see instructions)	11	-317,597
12 Unused patronage loss (see instructions)	12	
13 Unused nonpatronage loss (see instructions)	13	2,127,610

Schedule H**Deductions and Adjustments Under Section 1382** (see instructions)

1 Dividends paid on capital stock (section 521 cooperatives only)	1	
2 Nonpatronage income allocated to patrons (section 521 cooperatives only)	2	
3 Patronage dividends:		
a Money	3a	
b Qualified written notices of allocation	3b	
c Other property (except nonqualified written notices of allocation)	3c	
d Money or other property (except written notices of allocation) in redemption of nonqualified written notices of allocation	3d	
4 Domestic production activities deduction allocated to patrons	4	
5 Total. Combine lines 1 through 4. Enter here and on line 26a, page 1, and Schedule G, line 8	5	

Schedule J Tax Computation (see instructions)

1	Check if the cooperative is a member of a controlled group (attach Schedule O (Form 1120))		
2	Income tax (see instructions)	2	0
3	Alternative minimum tax (attach Form 4626)	3	
4	Add lines 2 and 3	4	0
5a	Foreign tax credit (attach Form 1118)	5a	
b	Credit from Forms 5735 and 8834	5b	
c	General business credit. Check applicable box(es): <input type="checkbox"/> Form 6478 <input type="checkbox"/> Form 8835, Section B <input type="checkbox"/> Form 3800 <input type="checkbox"/> Form 5884 <input type="checkbox"/> Form 8844 <input type="checkbox"/> Form 8846	5c	0
d	Credit for prior year minimum tax (attach Form 8827)	5d	
6	Total credits. Add lines 5a through 5d	6	
7	Subtract line 6 from line 4	7	
8	Other taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Other (attach schedule) <input type="checkbox"/> Form 8902	8	
9	Total tax. Add lines 7 and 8. Enter here and on line 28, page 1	9	0

Schedule K Other Information (see instructions)

1	Check accounting method: a <input type="checkbox"/> Cash b <input checked="" type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) ▶	Yes	No	8	At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of (a) the total voting power of all classes of stock of the cooperative entitled to vote or (b) the total value of all classes of stock of the cooperative? If "Yes," enter: (a) Percentage owned ▶ and (b) Owner's country ▶	Yes	No
2	See the instructions and enter the: a Business activity code no. ▶ 321210 b Business activity ▶ MANUFACTURING c Product or service ▶ PLYWOOD			c	The cooperative may have to file Form 5472, Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter number of Forms 5472 attached ▶		
3	Enter the date of incorporation ▶ 2/02/1951			9	Check this box if the cooperative issued publicly offered debt instruments with original issue discount ▶ <input type="checkbox"/> If checked, the cooperative may have to file Form 8281, Information Return for Publicly Offered Original Issue Discount Instruments.		
4	At the end of the tax year, did the cooperative own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).) If "Yes," attach a schedule showing: (a) name and employer identification number (EIN), (b) percentage owned, and (c) taxable income or (loss) before NOL and special deductions of such corporation for the tax year ending with or within your tax year.		X	10	Enter the amount of tax-exempt income received or accrued during the tax year (for example, interest or extraterritorial income) ▶ \$ 0		
5	Is the cooperative a subsidiary in an affiliated group or a parent-subsidiary controlled group? If "Yes," enter name and EIN of the parent corporation ▶		X	11a	Enter the number of foreign patrons at the end of the tax year ▶		
6	At the end of the tax year, did any individual, partnership, corporation, estate, or trust own, directly or indirectly, 50% or more of the cooperative's voting stock? (For rules of attribution, see section 267(c).) If "Yes," attach a schedule showing name and identifying number. (Do not include any information already entered in 5 above.) Enter percentage owned ▶		X	b	Enter the total amount of patronage distributions described in (or deducted under) IRC 1382(b) paid or allocated to foreign patrons ▶ 0		
7	Enter the cooperative's total assets (see instructions) ▶ \$ 785,703			12	If the cooperative has an NOL for the tax year and is electing to forego the carryback period, check here ▶ <input type="checkbox"/> If the cooperative is filing a consolidated return, the statement required by Regulations section 1.1502-21(b)(3) must be attached or the election will not be valid.		
				13	Enter the available NOL carryover from prior tax years (Do not reduce it by any deduction on line 26b.) Patronage ▶ \$ Nonpatronage ▶ \$ 1,810,013		
				14	Are the cooperative's total receipts (line 1a plus lines 4 through 9 on page 1) for the tax year and its total assets at the end of the tax year less than \$250,000? If "Yes," the cooperative is not required to complete Schedules G, L, M-1, or M-2. Instead, enter the total amount of cash distributions and the book value of property distributions (other than cash) made during the tax year. ▶ \$		X

Schedule L Balance Sheets per Books		Beginning of tax year		End of tax year	
Assets		(a)	(b)	(c)	(d)
1 Cash			192,613		192,613
2a Trade notes and accounts receivable					
b Less allowance for bad debts					
3 Inventories					
4 Other current assets (att. sch.)	STMT 3		351,405		273,522
5 Investments (see instructions)					
6 Loans to shareholders					
7 Mortgage and real estate loans					
8a Buildings and other depreciable assets		793,925		793,925	
b Less accumulated depreciation		(742,243)	51,682	(750,467)	43,458
9a Depletable assets					
b Less accumulated depletion					
10 Land (net of amortization)			276,110		276,110
11a Intangible assets (amortizable only)					
b Less accumulated amortization					
12 Other assets (attach sch.)					
13 Total assets			875,603		785,703
Liabilities and Capital					
14 Accounts payable					153,887
15 Mortgages, notes, bonds payable in less than 1 year					
16 Other current liabilities (att. sch.)	STMT 4		27,920		96,731
17 Loans from shareholders					
18 Mortgages, notes, bonds payable in 1 year or more					
19 Other liabilities (attach schedule)	STMT 5		497,666		185,068
20 Capital stock:					
a Preferred stock					
b Common stock		1,000,000	1,000,000	1,000,000	1,000,000
21 Additional paid-in capital					
22 Patronage dividends allocated in noncash form					
23 Per-unit retains allocated in noncash form					
24 Retained earnings—Appropriated (att. sch.)					
25 Retained earnings—Unappropriated			-57,891		-57,891
26 Adjustments to SH equity (att. sch.)					
27 Less cost of treasury stock			(592,092)		(592,092)
28 Total liabilities and capital			875,603		785,703

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return

Note: Schedule M-3 required instead of Schedule M-1 if total assets are \$10 million or more—see instructions

1 Net income (loss) per books		7 Income recorded on books this year not included in this tax return (itemize):	
2 Federal income tax per books		Tax-exempt interest \$	
3 Excess of capital losses over capital gains			
4 Income subject to tax not recorded on books this year (itemize):		STMT 7 312,598	312,598
5 Expenses recorded on books this year not deducted in this return (itemize):		8 Deductions in this tax return not charged against book income this year (itemize):	
a Depreciation \$		a Depreciation \$	
b Charitable contributions \$		b Charitable contributions \$	
c Travel and entertainment \$	1,082	STMT 8 27,888	27,888
STMT 6 21,807	22,889	9 Add lines 7 and 8	340,486
6 Add lines 1 through 5	22,889	10 Income (line 25, page 1)—line 6 less line 9	-317,597

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)

1 Balance at beginning of year	-57,891	5 Distributions:	a Cash	
2 Net income (loss) per books	0		b Stock	
3 Other increases (itemize):			c Property	
		6 Other decreases (itemize):		
		7 Add lines 5 and 6		
4 Add lines 1, 2, and 3	-57,891	8 Balance at end of year (line 4 less line 7)		-57,891

93-0396404

Federal Statements

FYE: 3/31/2008

AS ORIGINALLY FILED

Statement 1 - Form 1120-C, Page 1, Line 9 - Other Income

Description	Amount
MISCELLANEOUS INCOME	\$ 10,000
TOTAL	\$ 10,000

Statement 2 - Form 1120-C, Page 1, Line 23 - Other Deductions

Description	Amount
FUEL, POWER, WATER	\$ 41,698
INSURANCE	49,837
SECURITY PATROL	49,164
PROFESSIONAL FEES	223,764
TELEPHONE	2,036
OFFICE SUPPLIES & EXPENSE	582
PRINTING AND POSTAGE	433
FEES, LICENSES & PERMITS	20,805
DUES & SUBSCRIPTIONS	274
MISCELLANEOUS & BANK FEES	913
50% OF MEALS & ENTERTAINMENT	1,083
REPAIRS AND MAINTENANCE	140
TOTAL	\$ 390,729

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Statement 3 - Form 1120-C, Page 5, Schedule L, Line 4 - Other Current Assets

Description	Beginning of Year	End of Year
UNEXPIRED INSURANCE	\$ 21,882	\$ 13,671
ACCOUNTS RECEIVABLE - OTHER	-10,000	
PREPAID PROPERTY TAXES	18,211	
DEFERRED INCOME TAXES	135,000	135,000
PREPAID ENVIRONMENTAL COSTS	19,538	19,538
RENT RECEIVABLE	166,774	105,313
TOTAL	\$ 351,405	\$ 273,522

Statement 4 - Form 1120-C, Page 5, Schedule L, Line 16 - Other Current Liabilities

Description	Beginning of Year	End of Year
ACCRUED PAYROLL TAXES & INSURANCE	\$ 32	\$
ACCRUED INDUSTRIAL ACCIDENT	27,888	21,807
ACCRUED PROPERTY TAX		66,420
PREMIUM FINANCING		8,504
TOTAL	\$ 27,920	\$ 96,731

Statement 5 - Form 1120-C, Page 5, Schedule L, Line 19 - Other Liabilities

Description	Beginning of Year	End of Year
UNRESTRICTED NON-PATRONAGE	\$ 116,787	\$ 116,787
UNRESTRICTED PATRONAGE	2,184,611	2,184,611
RESTRICTED NON-PATRONAGE	151,333	151,333
RESTRICTED PATRONAGE	62,540	62,540
OVERADVANCE 3-94	-2,342	-2,342
OVERADVANCE 3-96	-1,337	-1,337
OVERADVANCE 3-01	-25,135	-25,135
OVERADVANCE 3-02	-794,465	-794,465
NON-PATRONAGE 3-03	-358,444	-358,444
NON-PATRONAGE 3-04	-258,998	-258,998
NON-PATRONAGE 3-05	-189,771	-189,771
NON-PATRONAGE 3-06	-162,304	-162,304
NON-PATRONAGE 3-07	-224,809	-224,809
NON-PATRONAGE 3-08		-312,598
TOTAL	\$ 497,666	\$ 185,068

Statement 6 - Form 1120-C, Page 5, Schedule M-1, Line 5 - Expense on Books Not Deducted

Description	Amount
ACCR IND ACCIDENT 2008	\$ 21,807
TOTAL	\$ 21,807

93-0396404

Federal Statements

FYE: 3/31/2008

AS ORIGINALLY FILED

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TO FORM AMENDED RETURN**Statement 7 - Form 1120-C, Page 5, Schedule M-1, Line 7 - Income on Books Not on Return**

Description	Amount
NON-PATRONAGE ALLOCATED TO MEMBERS	\$ 312,598
TOTAL	\$ 312,598

Statement 8 - Form 1120-C, Page 5, Sch M-1, Line 8 - Deductions on Return Not on Books

Description	Amount
ACCR IND ACCIDENT 2007	\$ 27,888
TOTAL	\$ 27,888

Federal Statements

Form 1120-C, Page 1, Line 6 - Gross Rents and Royalties

<u>Description</u>	<u>Amount</u>
GROSS RENTS	\$ 352,506
TOTAL	\$ 352,506

Form 1120-C, Page 1, Line 15 - Taxes and Licenses

<u>Description</u>	<u>Amount</u>
PROPERTY TAXES	\$ 84,631
PAYROLL TAXES	8,481
OTHER	881
STATE OF OREGON TAXES	10
CITY OF PDX BUS. LIC FE	100
TOTAL	\$ 94,103

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10/20/09

Accrual Basis

Linnton Plywood Association
Balance Sheet
 As of March 31, 2009

YR END
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	Mar 31, 09
ASSETS	
Current Assets	
Checking/Savings	
101-00 · CASH-CHECKING WFB	142,916.48
Total Checking/Savings	142,916.48
Other Current Assets	
108-00 · RENT RECEIVABLE	145,836.00
117-00 · STATE DEFERRED INC TAX ASSET	52,000.00
118-00 · FEDERAL DEFERRED INC TAX ASSET	83,000.00
12000 · Undeposited Funds	1,000.00
129-00 · PREPAID ENGINEERING	19,537.89
130-00 · UNEXPIRED INSURANCE	13,233.00
Total Other Current Assets	314,606.89
Total Current Assets	457,523.37
Fixed Assets	
140-00 · LAND	276,109.75
141-00 · BUILDINGS & IMPROVEMENTS	744,307.00
142-00 · MACHINERY & EQUIPMENT	49,618.51
144-00 · ACCUMULATED DEPRECIATION	-757,171.06
145-00 · Capitalized Selling Expenses	758,578.50
Total Fixed Assets	1,071,440.70
TOTAL ASSETS	1,528,964.07
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 · Accounts Payable	239,928.29
Total Accounts Payable	239,928.29
Other Current Liabilities	
203-00 · ACCOUNTS PAYABLE-PROP TAX	155,714.82
247-00 · INDUSTRIAL ACCIDENT INSURANCE	16,060.11
250-00 · INSURANCE PREMIUM FINANCING	7,079.56
251-00 · INSURANCE PREMIUM FINANCING - 1	1,424.75
Total Other Current Liabilities	180,279.24
Total Current Liabilities	420,207.53
Total Liabilities	420,207.53
Equity	
300-00 · COMMON STOCK	1,000,000.00
320-00 · INVESTED CAPITAL	71,954.86
330-00 · RETAINED PATRONAGE-RESTRICTED	62,540.49
335-00 · RET. NONPATRONAGE-RESTRICTED	151,332.87
340-00 · RET PATRONAGE-UNRESTRICTED	2,184,610.67
345-00 · RET NONPATRONAGE UNRESTRICTED	116,787.11
348-00 · OVER ADV 3/31/94	-2,341.95
349-00 · OVER ADV 3/31/96	-1,336.88
350-00 · RETAINED EARNINGS-UNALLOCATED	-129,844.68
351-00 · OVER ADV 3.31.02	-25,134.62
352-00 · OVER ADV 3/31/02	-794,464.78
353-00 · OVER ADV 3/31/03	-358,444.09
354-00 · OVER ADV 3/31/04	-258,998.18
355-00 · OVER ADV 3/31/05	-189,770.54
356-00 · OVER ADV 3/31/06	-28,667.13
357-00 · OVER ADV 3-31-07	-76,341.52
358-00 · OVER ADV 3-31-08	-44,985.67

8:21 AM

10/20/09

Accrual Basis

Linnton Plywood Association

Balance Sheet

As of March 31, 2009

	<u>Mar 31, 09</u>
390-00 • TREASURY STOCK-AT COST	-592,091.91
Net Income	<u>23,952.49</u>
Total Equity	<u>1,108,756.54</u>
TOTAL LIABILITIES & EQUITY	<u>1,528,964.07</u>

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10/20/09

Accrual Basis

Linnton Plywood Association
Profit & Loss
 April 2008 through March 2009

	<u>Apr '08 - Mar 09</u>
Ordinary Income/Expense	
Expense	
GENERAL & ADMINISTRATIVE	
800-00 · SALARIES	94,693.00
805-00 · SUPERVISION	0.00
810-00 · GROUP INSURANCE	4,153.08
815-00 · OFFICE EXPENSE	2,318.33
820-00 · POSTAGE & PRINTING	92.21
825-00 · TELEPHONE & FAX	2,058.60
830-00 · PROFESSIONAL FEES	1,239.40
840-00 · DUES & SUBSCRIPTIONS	90.00
860-00 · MISCELLANEOUS & BANK CHARGES	335.21
865-00 · FEES, LICENSES & PERMITS	3,652.83
Total GENERAL & ADMINISTRATIVE	108,632.66
OPERATING EXPENSES	
621-00 · GENERAL MIL REPAIR	6,446.04
631-00 · FUEL, POWER, & WATER	40,517.65
636-00 · DEPRECIATION - OFFICE EQUIP	22.32
636-00 · DEPRECIATION - EQUIPMENT	6,681.61
643-00 · P/R - INDUSTRIAL ACCIDENT	3,968.87
660-00 · PROPERTY TAXES	89,294.82
661-00 · OTHER TAXES - PAYCHEX	6,558.26
666-00 · INSURANCE - GENERAL	36,459.84
660-00 · SECURITY PATROL	49,269.00
Total OPERATING EXPENSES	239,218.41
SELLING & SHIPPING EXPENSES	
720-00 · TRAVEL & ENTERTAINMENT	1,142.00
Total SELLING & SHIPPING EXPENSES	1,142.00
68000 · PAYROLL EXPENSE	5,448.10
Total Expense	354,441.17
Net Ordinary Income	-354,441.17
Other Income/Expense	
Other Income	
900-00 · INTEREST INCOME	5,614.49
906-00 · LEASE INCOME	372,789.17
Total Other Income	378,403.66
Other Expense	
INCOME TAX	
960-00 · STATE CORP EXCISE INCOME TAX	10.00
Total INCOME TAX	10.00
Total Other Expense	10.00
Net Other Income	378,393.66
Net Income	<u><u>23,962.49</u></u>

9:10 AM

08/08/08

Accrual Basis

Linnton Plywood Association
Balance Sheet
 As of March 31, 2008

Mar 31, 08

ASSETS**Current Assets****Checking/Savings**

100-00 • PETTY CASH

75.00

101-00 • CASH-CHECKING WFB

96,990.73

Total Checking/Savings

97,065.73

Other Current Assets

102-00 • INVESTMENTS

95,551.75

108-00 • RENT RECEIVABLE

105,312.50

114-00 • ACCOUNTS RECEIVABLE - OTHER

10,000.00

116-00 • EARNST MONEY-11/18/04

-10,000.00

117-00 • STATE DEFERRED INC TAX ASSET

52,000.00

118-00 • FEDERAL DEFERRED INC TAX ASSET

83,000.00

129-00 • PREPAID ENGINEERING

19,537.89

130-00 • UNEXPIRED INSURANCE

13,671.00

Total Other Current Assets

369,073.14

Total Current Assets

466,138.87

Fixed Assets

140-00 • LAND

276,109.75

141-00 • BUILDINGS & IMPROVEMENTS

744,307.00

142-00 • MACHINERY & EQUIPMENT

49,618.51

144-00 • ACCUMULATED DEPRECIATION

-750,487.13

Total Fixed Assets

319,568.13

TOTAL ASSETS**786,707.00****LIABILITIES & EQUITY****Liabilities****Current Liabilities****Accounts Payable**

20000 • Accounts Payable

153,887.14

Total Accounts Payable

153,887.14

Other Current Liabilities

203-00 • ACCOUNTS PAYABLE-PROP TAX

66,420.00

246-00 • ACCRUED INDUSTRIAL ACC. INS

31.58

247-00 • INDUSTRIAL ACCIDENT INSURANCE

21,775.81

260-00 • INSURANCE PREMIUM FINANCING

7,079.56

261-00 • INSURANCE PREMIUM FINANCING - 1

1,424.75

Total Other Current Liabilities

96,731.70

Total Current Liabilities

250,618.84

Total Liabilities

250,618.84

Equity

300-00 • COMMON STOCK

1,000,000.00

320-00 • INVESTED CAPITAL

71,954.86

330-00 • RETAINED PATRONAGE-RESTRICTED

62,540.49

336-00 • RET. NONPATRONAGE-RESTRICTED

151,332.87

340-00 • RET PATRONAGE-UNRESTRICTED

2,184,610.67

346-00 • RET NONPATRONAGE UNRESTRICTED

116,787.11

348-00 • OVER ADV 3/31/94

-2,341.95

349-00 • OVER ADV 3/31/96

-1,336.88

360-00 • RETAINED EARNINGS-UNALLOCATED

-129,844.58

361-00 • OVER ADV 3/31/02

-25,134.82

362-00 • OVER ADV 3/31/02

-794,464.78

363-00 • OVER ADV 3/31/03

-358,444.09

364-00 • OVER ADV 3/31/04

-258,998.18

366-00 • OVER ADV 3/31/06

-189,770.54

366-00 • OVER ADV 3/31/06

-162,303.86

367-00 • OVER ADV 3-31-07

-224,808.77

9:10 AM

08/08/08

Accrual Basis

Linnton Plywood Association

Balance Sheet

As of March 31, 2008

	Mar 31, 08
390-00 - TREASURY STOCK-AT COST	-592,091.91
Net Income	-312,597.68
Total Equity	535,088.16
TOTAL LIABILITIES & EQUITY	<u>785,707.00</u>

9:12 AM

08/08/08

Accrual Basis

Linnton Plywood Association
Profit & Loss
 April 2007 through March 2008

	Apr '07 - Mar 08
Ordinary Income/Expense	
Expense	
GENERAL & ADMINISTRATIVE	
800-00 · SALARIES	108,696.32
806-00 · SUPERVISION	64,132.66
810-00 · GROUP INSURANCE	7,064.16
816-00 · OFFICE EXPENSE	582.41
820-00 · POSTAGE & PRINTING	432.71
826-00 · TELEPHONE & FAX	2,035.83
830-00 · PROFESSIONAL FEES	223,764.07
840-00 · DUES & SUBSCRIPTIONS	274.35
860-00 · MISCELLANEOUS & BANK CHARGES	909.42
866-00 · FEES, LICENSES & PERMITS	20,804.67
Total GENERAL & ADMINISTRATIVE	428,696.60
OPERATING EXPENSES	
621-00 · GENERAL MIL REPAIR	140.00
631-00 · FUEL, POWER, & WATER	41,698.17
636-00 · DEPRECIATION - OFFICE EQUIP	1,543.01
636-00 · DEPRECIATION - EQUIPMENT	6,681.57
643-00 · P/R - INDUSTRIAL ACCIDENT	-382.80
660-00 · PROPERTY TAXES	84,631.40
661-00 · OTHER TAXES - PAYCHEX	16,872.12
666-00 · INSURANCE - GENERAL	44,141.08
660-00 · SECURITY PATROL	49,163.89
Total OPERATING EXPENSES	244,488.44
SELLING & SHIPPING EXPENSES	
720-00 · TRAVEL & ENTERTAINMENT	2,164.75
Total SELLING & SHIPPING EXPENSES	2,164.75
66000 · PAYROLL EXPENSE	992.17
Total Expense	676,341.96
Net Ordinary Income	-676,341.96
Other Income/Expense	
Other Income	
900-00 · INTEREST INCOME	1,237.79
906-00 · LEASE INCOME	352,506.49
907-00 · MISC. INCOME	10,000.00
Total Other Income	363,744.28
Net Other Income	363,744.28
Net Income	-312,597.68

Profit & Loss	
For the Year Ended December 31, 2013	
Net Sales	100.00
Cost of Goods Sold	(60.00)
Gross Profit	40.00
Operating Expenses	(25.00)
Operating Income	15.00
Other Income	0.00
Other Expenses	(5.00)
Net Income	10.00
Net Income Available to Common Shareholders	10.00
Weighted Average Number of Common Shares Outstanding	1,000,000
Earnings Per Share	\$0.10
Dividends Paid	0.00
Retained Earnings, Beginning of Year	0.00
Retained Earnings, End of Year	10.00

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Accrual Basis

Linnton Plywood Association **Balance Sheet** As of September 30, 2009

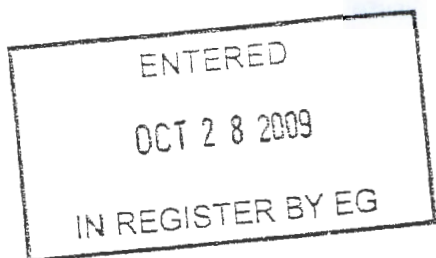
	<u>Sep 30, 08</u>
ASSETS	
Current Assets	
Checking/Savings	
101-00 · CASH-CHECKING WFB	215,712.86
Total Checking/Savings	<u>215,712.86</u>
Other Current Assets	
108-00 · RENT RECEIVABLE	203,636.00
117-00 · STATE DEFERRED INC TAX ASSET	52,000.00
118-00 · FEDERAL DEFERRED INC TAX ASSET	63,000.00
129-00 · PREPAID ENGINEERING	19,537.89
130-00 · UNEXPIRED INSURANCE	13,233.00
Total Other Current Assets	<u>371,706.89</u>
Total Current Assets	587,419.75
Fixed Assets	
140-00 · LAND	276,109.75
141-00 · BUILDINGS & IMPROVEMENTS	744,307.00
142-00 · MACHINERY & EQUIPMENT	48,818.51
144-00 · ACCUMULATED DEPRECIATION	-760,208.56
145-00 · Capitalized Selling Expenses	824,173.13
Total Fixed Assets	<u>1,133,999.83</u>
TOTAL ASSETS	<u><u>1,721,419.58</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 · Accounts Payable	245,270.36
Total Accounts Payable	<u>245,270.36</u>
Other Current Liabilities	
283-00 · ACCOUNTS PAYABLE-PROP TAX	200,048.06
247-00 · INDUSTRIAL ACCIDENT INSURANCE	14,384.11
Total Other Current Liabilities	<u>214,430.17</u>
Total Current Liabilities	<u>459,700.53</u>
Total Liabilities	459,700.53
Equity	
300-00 · COMMON STOCK	1,000,000.00
320-00 · INVESTED CAPITAL	71,954.86
330-00 · RETAINED PATRONAGE-RESTRICTED	62,540.48
335-00 · RET. NONPATRONAGE-RESTRICTED	151,332.87
340-00 · RET PATRONAGE-UNRESTRICTED	2,184,610.67
345-00 · RET NONPATRONAGE UNRESTRICTED	116,787.11
348-00 · OVER ADV 3/31/84	-2,341.95
348-00 · OVER ADV 3/31/88	-1,336.88
350-00 · RETAINED EARNINGS-UNALLOCATED	-105,862.19
381-00 · OVER ADV 3/31/82	-25,134.62
382-00 · OVER ADV 3/31/82	-794,454.78
383-00 · OVER ADV 3/31/83	-358,444.09
384-00 · OVER ADV 3/31/84	-258,898.18
385-00 · OVER ADV 3/31/85	-189,770.54
386-00 · OVER ADV 3/31/86	-28,657.13
387-00 · OVER ADV 3-31-87	-78,341.52
388-00 · OVER ADV 3-31-88	-44,985.67
390-00 · TREASURY STOCK-AT COST	-592,081.91
Net Income	152,882.51
Total Equity	<u>1,261,719.05</u>
TOTAL LIABILITIES & EQUITY	<u><u>1,721,419.58</u></u>

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10/20/09
Accrual Basis

Linnton Plywood Association
Profit & Loss
July through September 2009

	<u>Jul - Sep 09</u>
Ordinary Income/Expense	
Expense	
GENERAL & ADMINISTRATIVE	
805-00 · SUPERVISION	22,739.00
810-00 · GROUP INSURANCE	1,739.04
816-00 · OFFICE EXPENSE	29.85
826-00 · TELEPHONE & FAX	514.81
830-00 · PROFESSIONAL FEES	1,000.00
860-00 · MISCELLANEOUS & BANK CHARGES	154.08
885-00 · FEES, LICENSES & PERMITS	688.93
Total GENERAL & ADMINISTRATIVE	<u>26,865.71</u>
OPERATING EXPENSES	
821-00 · GENERAL Mtl REPAIR	785.33
831-00 · FUEL, POWER, & WATER	4,843.49
836-00 · DEPRECIATION - OFFICE EQUIP	5.50
838-00 · DEPRECIATION - EQUIPMENT	1,510.60
843-00 · P/R - INDUSTRIAL ACCIDENT	811.36
860-00 · PROPERTY TAXES	22,165.62
881-00 · OTHER TAXES - PAYCHEX	1,638.25
886-00 · INSURANCE - GENERAL	5,965.68
890-00 · SECURITY PATROL	13,211.75
Total OPERATING EXPENSES	<u>50,937.48</u>
SELLING & SHIPPING EXPENSES	
720-00 · TRAVEL & ENTERTAINMENT	110.50
Total SELLING & SHIPPING EXPENSES	<u>110.50</u>
89000 · PAYROLL EXPENSE	<u>682.45</u>
Total Expense	<u>78,596.14</u>
Net Ordinary Income	-78,596.14
Other Income/Expense	
Other Income	
906-00 · LEASE INCOME	116,669.35
Total Other Income	<u>116,669.35</u>
Net Other Income	<u>116,669.35</u>
Net Income	<u><u>38,073.21</u></u>

AC



FILED
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CIRCUIT COURT
FOR MULTNOMAH COUN

IN THE CIRCUIT COURT OF THE STATE OF OREGON
FOR THE COUNTY OF MULTNOMAH

DOUG WEISS, RON ELSNER, STANLEY)
G. LOMNICKY, HARVEY E. YOUNG and)
JOHN DUVALL,)

No. ~~01~~080710423

Plaintiffs,)

ORDER ON JOINT MOTION TO
APPROVE STIPULATION FOR
SETTLEMENT

vs.)

LINNTON PLYWOOD ASSOCIATION,)
JIMMY STAHLEY, GAIL HOLTER,)
GENE ELSEY and MIKE BALTO,)

Defendants.)

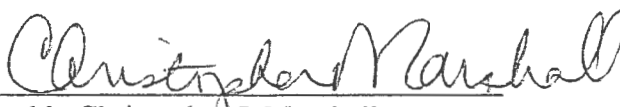
This matter came before the Honorable Christopher J. Marshall on October 12, 2009.

Plaintiffs appeared through their attorney, Edward H. Trompke, and Defendants appeared through their attorney, Paul B. George (telephone appearance) and Nancie K. Potter. The Court had previously received and reviewed the motion and supporting memorandum and declarations; the Objections of Barry Axtell, Max M. Smith, Ronald E. Thomas, Holly D. Jackson, and Karen S. Fitch (on behalf of the Estate of Herbert A. Randall), and Francis V. L'Amie. The Court heard all arguments by the attorneys for all parties and by Mr. Thomas, Ms. Randall, and Mr. Laney. Judge Marshall then heard oral argument by the attorneys for

1 all parties and by Mr. Thomas, Ms. Jackson and Mr. Laney. Being thus fully advised in the
2 premises, it is hereby

3 ORDERED, that the Joint Motion to Approve Stipulation for Settlement is granted.
4 Defendants may enter a judgment of dismissal without delay.

5
6 DATED this 23rd day of October, 2009.

7
8 
9 The Honorable Christopher J. Marshall

10
11 Presented by:

12 Nancie K. Potter, OSB # 80152
13 Roberts Kaplan LLP
14 601 SW Second Ave., Suite 1800
Portland, OR 97204
(503) 221-0607

IN THE CIRCUIT COURT OF THE STATE OF OREGON
FOR THE COUNTY OF MULTNOMAH

DOUG WEISS, RON ELSNER, STANLEY)
G. LOMNICKY, HARVEY E. YOUNG and)
JOHN DUVALL,)

Case No. 0807-10423

Plaintiffs,)

STIPULATION FOR SETTLEMENT

vs.)

LINNTON PLYWOOD ASSOCIATION,)
JIMMY STAHLEY, GAIL HOLTER,)
GENE ELSEY, MIKE BALTO, and DOES)
1 THROUGH 10,)

Defendants.)

INTRODUCTION

This Stipulation for Settlement (the “Stipulation”) is by and between Linnton Plywood Association, an Oregon cooperative corporation (“Association”)¹, Jimmy Stahly (referred to incorrectly in the case caption as Jimmy Stahley), Gail Holter, Gene Elsey, Mike Balto (collectively “Individual Defendants” herein) and Doug Weiss, Ron Elsner, Stanley G. Lomnicky, Harvey E. Young and John Duvall (collectively “Plaintiffs” herein).

////

////

¹ The definitions set forth herein are those defined in the Memorandum of Law in Support of Joint Motion to Approve Stipulation for Settlement.

1 I. RECITALS

2 A. On July 22, 2008, Plaintiffs filed a complaint (the "Complaint") in the Circuit
3 Court of the State of Oregon for the County of Multnomah Case No. 0807-10423
4 alleging that the Liquidation Plan was improperly adopted by the Association and
5 that the Liquidation Plan was in breach of the Settlement Agreement. The
6 Association and the Individual Defendants, each of whom is a member of the
7 Board of Directors of the Association, deny each of the allegations of the
8 Complaint, but have not been required to file an answer to the Complaint by
9 virtue of the fact that the Association and the Individual Defendants have filed a
10 motion, now pending before the Court, for the complete dismissal of the
11 Complaint on the grounds it is untimely and ill founded.

12 B. Many of the current and former members of the Association are elderly and
13 depend heavily upon the expectation that they will receive some distribution
14 through the liquidation of the Association's assets to pay their "Retains".

15 C. The Parties agree that protracted litigation, no matter who prevails, will work to
16 the detriment of the Association and its current and former members by delaying
17 the close of the sale of the Real Property, the distribution of net proceeds and
18 require all Parties to incur substantial costs and fees.

19 D. The Parties have now agreed to settle the claims alleged in the Complaint and all
20 other claims between them, both in their individual capacities and their derivative
21 capacities. The settlement as set forth below is conditioned upon the final
22 approval by the Court of all of its terms and conditions.

23
24 NOW THEREFORE IN CONSIDERATION OF THE RECITALS AND COVENANTS
25 AND CONDITIONS HEREINAFTER SET FORTH, IT IS AGREED:
26

1 **II. THE AGREEMENT**

2
3 1. Incorporation. The Recitals are incorporated herein by reference.

4 2. Definitions. In addition to the terms defined elsewhere in this Stipulation,
5 as used in this Stipulation the following terms have the meanings specified below:

6 2.1 The Individual Defendants are all members of the Board of Directors
7 of the Association. Plaintiffs have named Doe defendants in the Complaint
8 and have indicated an intention to amend the Complaint to include the
9 remaining members of the Board of Directors as the previously named Doe
10 defendants. The Individual Defendants, the Doe defendants and the unnamed
11 members of the Board of Directors are hereinafter collectively, referred to as
12 the "Board".

13
14 2.2 "Plaintiffs" means Doug Weiss, Ron Elsner, Stanley G. Lomnicky,
15 Harvey E. Young and John Duvall.

16 2.3 "Defendants" means Linnton Plywood Association, Jimmy Stahly,
17 Gail Holter, Gene Elsey and Mike Balto.

18
19 2.4 "Parties" means collectively each of the Defendants and the Plaintiffs
20 for themselves and/or itself and derivatively on behalf of Linnton Plywood
21 Association.

22 2.5 "Complaint" means the action filed by Plaintiffs against Defendants in
23 the Circuit Court of the State of Oregon for the County of Multnomah Case
24 No. 0807-10423.

1 2.6 “Related Persons” means and includes, as the case may be, each and
2 all of the Parties’ past and/or present directors, officers, employees, partners,
3 principals, agents, attorneys, consultants, accountants, legal representatives,
4 insurers or co-insurers, predecessors, successors, assigns, spouses, heirs,
5 executors, estates, administrators and associates.

6 2.7 “Released Claims” means and includes any and all claims and causes
7 of action, including unknown claims, charges, complaints, actions, suits,
8 controversies, demands, rights, liabilities, costs, damages, debts, expenses,
9 guarantees, promises and obligations of every nature and description
10 whatsoever, whether based in law or equity, on federal, state, local, statutory
11 or common law, rule or regulation, including, without limitation, claims for
12 negligence, gross negligence, breach of duty of care, breach of fiduciary duty,
13 breach of contract, declaratory judgment, judgment or injunctive relief,
14 whether concealed or hidden, known or unknown, suspected or unsuspected,
15 matured or not matured, contingent or fixed, asserted or that could have been
16 asserted in the Complaint or in any other forum or proceeding by Plaintiffs in
17 their individual or derivative capacity.

18 2.8 “Released Derivative Claims” means and includes any and all claims
19 and causes of action, including unknown claims, charges, complaints, actions,
20 suits, controversies, demands, rights, liabilities, costs, damages, debts,
21 expenses, guarantees, promises and obligations of every nature and
22 description whatsoever, whether based in law or equity, on federal, state,
23 local, statutory or common law, rule or regulation, including, without
24 limitation, claims for negligence, gross negligence, breach of duty of care,
25 breach of fiduciary duty, breach of contract, declaratory judgment, judgment
26

1 or injunctive relief, whether concealed or hidden, known or unknown,
2 suspected or unsuspected, matured or not matured, contingent or fixed,
3 asserted or that could have been asserted in the Complaint or in any other
4 forum or proceeding by the Plaintiffs on behalf of the Association.

5 2.9 "Shareholder" means current and former members, or the heirs of
6 either, who own a share of the Association's stock.

7
8 2.10 The Stipulation will be "Effective" upon the "Effective Date", which
9 means the first date by which all of the following events have been met and
10 have occurred:

11 A. All of the following necessary approvals have been obtained
12 and shall be in effect with respect to the Stipulation: (i) all individual
13 Plaintiffs have signed this Stipulation, (ii) all individual Defendants
14 and the Association have signed this Stipulation, and (iii) the Plaintiffs
15 and the Board have approved the process adopted by the Court for
16 notifying Shareholders and Former Shareholders of this Settlement.

17
18 B. The trial Court has entered a judgment approving the
19 Stipulation;

20 C. The judgment has become Final. For this purpose, "Final"
21 shall mean that the time to appeal the judgment has passed without
22 notice of appeal being filed by any party or person, or an appeal has
23 been filed but the appeal has been dismissed with prejudice, or the
24 appeal has been decided with no possibility of subsequent revival,
25 modification or judicial review.
26

1 2.11 The term “Former Shareholders” means those persons who have
2 “Retains” on the books of the Association but no longer hold any shares of
3 stock of the Association.

4
5 3. Terms. The Parties have agreed to abide by the terms of this Stipulation as
6 follows:

7 3.1 The Parties will cooperate in preparing and filing with the trial Court a
8 motion for approval of the Stipulation for Settlement. If this Stipulation is not
9 approved by the Court either party may go forward with the Complaint.

10 3.2 The Plaintiffs and Individual Defendants agree that they will
11 recommend to all Shareholders and to all current and former members the
12 approval of this Stipulation.

13
14 3.3 Further, the Board will recommend approval of this Stipulation to all
15 Shareholders and all current and former members of the Association.

16 3.4 Upon the Effective Date, Plaintiffs for themselves in their individual
17 capacity and in their representative capacity derivatively for the Association
18 and all Related Persons release the Board from all of the Released Claims and
19 the Released Derivative Claims except to the extent payments are due under
20 the Modified Allocation and Distribution Plan.

21
22 3.5 Upon the Effective Date the allocation and distribution of net proceeds
23 from the sale and liquidation of the Association’s assets shall be made as set
24 forth in the Modified Allocation and Distribution Plan attached hereto as
25 Exhibit A and incorporated herein by reference, and the Association’s Bylaws
26

1 shall be deemed amended with respect to such allocation and distribution by
2 the Modified Allocation and Distribution Plan.

3
4 3.6 Upon the Effective Date, Plaintiffs shall dismiss the Complaint with
5 prejudice, with all Parties to bear their own costs and attorneys' fees except as
6 provided in paragraph 3.7 below.

7 3.7 The Association shall pay \$25,000 to Jordan Schrader Ramis PC,
8 attorneys for Plaintiffs, as partial reimbursement for Plaintiffs' attorneys' fees
9 incurred in this matter. Such payment shall be payable together with other
10 debts of the Association when distribution of proceeds of the sale of the Real
11 Property is made pursuant to the Modified Allocation and Distribution Plan.

12
13 4. Miscellaneous Provisions

14 4.1 The Parties acknowledge that the Board shall have all the decision
15 making/authority vested to a cooperative Board of Directors under ORS
16 Chapter 62 and such powers and authority as vested pursuant to the
17 Association's existing Articles and Bylaws, as modified by this Stipulation.

18 4.2 The Parties agree to cooperate to the extent reasonably necessary to
19 effectuate and implement all terms and conditions of this Stipulation, its
20 exhibits, and all of the transactions contemplated hereby and thereby, and in
21 obtaining all necessary approvals therefore, and to exercise their best efforts to
22 accomplish the foregoing terms and conditions of this Stipulation.

23
24 4.3 Each of the Parties represents and warrants that he, she or it has not
25 assigned or transferred, or purported to assign or transfer, to any Person any
26 claim herein released.

1 4.4 The Parties agree that terms of the settlement were negotiated in good
2 faith by the Parties, and reflect a settlement that was reached voluntarily after
3 consultation with competent legal counsel.

4 4.5 Neither the Stipulation nor the exhibits attached to the Stipulation, nor
5 the settlement contained herein, nor any matter learned of in connection with
6 the matters contemplated by the Stipulation and its exhibits or the settlement
7 or any act performed or document executed pursuant to or in furtherance of
8 the Stipulation and its exhibits or the settlement is or may be deemed or
9 offered or received in evidence as a presumption, a concession, or an
10 admission of any fault, liability, or wrongdoing, and, except as required to
11 enforce this Stipulation, shall not be offered or received in evidence or
12 otherwise used by any Person in this or any other lawsuit, action, litigation or
13 proceedings, whether civil, criminal, or administrative. The foregoing
14 covenants shall survive notwithstanding the fact that this Stipulation is not
15 approved by the Trial Court or the settlement set forth in this Stipulation is
16 terminated or fails to become Effective in accordance with its terms, or the
17 Effective Date does not occur for any reason. Upon the Judgment becoming
18 Final, any of the Defendants and/or the other Released Persons may file the
19 Stipulation and/or the Judgment in any action that may be brought against
20 them in order to support a defense or counterclaim based on principles of res
21 judicata, collateral estoppel, full faith and credit, release, good faith
22 settlement, judgment bar, or reduction, or any other theory of claim preclusion
23 or issue preclusion or similar defense or counterclaim.

1 4.6 This Stipulation may be amended or modified only by a written
2 instrument signed by or on behalf of all of the Parties, or their respective
3 successors-in-interest.

4 4.7 No provision of this Stipulation may be waived, other than by an
5 express waiver signed by the party to be charged. No waiver of any provision
6 in one instance shall be construed as a continuing waiver as to that provision
7 in any other instance, nor as a waiver of any other provision of this Stipulation
8 or any of its exhibits.

9 4.8 Except as otherwise provided herein, this Stipulation and the Exhibit
10 attached hereto, constitute the entire agreement among the Parties with respect
11 to the subject matter herein and therein, and no other representations,
12 warranties or inducements have been made to any party concerning the
13 Stipulation.

14 4.9 The Parties state that there are no additional agreements made in
15 connection with the proposed settlement, except as stated herein.

16 4.10 Each Person executing the Stipulation hereby warrants that such
17 Person has the full authority to do so.

18 4.11 This Stipulation may be executed in one or more counterparts. All
19 executed counterparts and each of them shall be deemed to be one and the
20 same instrument. A complete set of original executed counterparts shall be
21 filed with the Court.

22 4.12 This Stipulation shall be binding upon, and inure to the benefit of, the
23 successors and assigns of the Parties hereto.

1 4.13 The Court shall retain jurisdiction with respect to implementation and
2 enforcement of the terms of this Stipulation, and all Parties hereto submit to
3 the jurisdiction of the Court for purposes of implementing and enforcing the
4 settlement embodied in this Stipulation.

5 4.14 This Agreement and the Exhibit hereto shall be considered to have
6 been negotiated, executed and delivered, and to be wholly performed, in the
7 State of Oregon, and the rights and obligations of the Parties to this
8 Agreement shall be construed and enforced in accordance with, and governed
9 by, the internal, substantive laws of the State of Oregon.

10
11 IN WITNESS WHEREOF, this Stipulation is agreed to by:

12 DATED this ____ day of January, 2010.

13 _____
14 Doug Weiss

15 DATED this ____ day of January, 2010.

16 _____
17 Ron Elsner

18 DATED this ____ day of January, 2010.

19 _____
20 Stanley G. Lomnicky

21 DATED this ____ day of January, 2010.

22 _____
23 Harvey E. Young

24 DATED this ____ day of January, 2010.

25 _____
26 John Duvall